Please **DO NOT** use this form to submit comments. Please use the [electronic comment form](#) to submit comments on NERC Rules of Procedure to add Appendix 5C *Bulk Electric System Component Exception Procedure*. The proposed Appendix 5C is being posted for an initial 30-day comment period that will close on June 10, 2011 to allow for comment in concert with the proposed definition of the Bulk Electric System under NERC Standards Project 2010-17. An additional 45-day comment period will be held in August 2011, concurrent with the ballot of Project 2010-17.

The electronic comment form must be submitted by **June 10, 2011**.

If you have questions please contact Elizabeth Heenan at elizabeth.heenan@nerc.net.

**Background**

On November 18, 2010, the Federal Energy Regulatory Commission (“FERC” or the “Commission”) issued an Order directing NERC to revise the definition of Bulk Electric System and address the Commission’s concerns as identified in Order No. 693, issued on March 16, 2007. The definition encompasses all Elements necessary for the reliable operation and planning of the interconnected transmission network. A draft definition, developed by the Project 2010-17 standards drafting team, was posted for a 30-day comment period on April 28, 2011.

Concurrent with the development of the revised Bulk Electric System definition, a Bulk Electric System Rules of Procedure Team (“BES ROP Team”) was formed to develop a procedure for facility-by-facility determinations of inclusions or exclusions to the Bulk Electric System not otherwise resolved through the Bulk Electric System definition. The BES ROP team has developed an initial draft of the proposed Appendix 5C *Bulk Electric System Component Exception Procedure*, which is being posted for comment for thirty days. Concurrently with the posting of the proposed Appendix 5C, NERC is also posting for a thirty-day comment period the *BES Technical Principles for BES Exceptions* document.

**Appendix 5C Bulk Electric System Component Exception Procedure**

NERC is requesting public comments on the new procedure for facility-by-facility determinations of inclusions or exclusions to the Bulk Electric System not otherwise resolved through the application of the definition of Bulk Electric System, which is proposed to be included in the NERC Rules of Procedure as Appendix 5C. The attached flowchart generally describes the proposed procedure which would apply to electrical elements that are requested to be excepted from the definition of the Bulk Electric System.
Please enter all comments in simple text format.

Insert a "check’ mark in the appropriate boxes by clicking the gray areas.

1. This draft provides in Section 1.1 that an entity unable to determine the status of an Element by application of the BES Definition may submit an Exception Request to obtain a determination of whether the Element is or is not within the BES. Do you agree? Please comment why or why not.
   □ Yes
   ☑ No

☐ Comments: Paragraph 3 which reads:

   “An entity unable to determine the status of an Element by application of the BES Definition also may submit an Exception Request under this Exception Procedure to obtain a determination of whether the Element is or is not within the BES.”

   should be deleted. The determination of the status of an Element is outside the scope of this document. The exclusion and inclusion criteria should be clear without any ambiguity to allow an entity to be able to definitively determine the classification of an element, thereby eliminating the need for an entity to submit an exception request for an element to determine its classification.

2. The procedure is intended to be least burdensome while requiring sufficient information to show how the request meets the exception criteria of Section 3. Please comment as to how public the process should be? Should entities other than the RE, NERC, FERC, or Canadian Provincial authorities be allowed access to exception related information filed by an entity?
   □ Yes
   ☑ No

☐ Comments:

   Entities other than the RE, NERC, FERC, State or Canadian Provincial authorities should not be allowed access to exception related detailed information filed by an entity. The Reliability Coordinator and Balancing Authority should, however, have access to such information as they play a key reliability role.
Parties other than those listed above should only be allowed to review the request after a decision is rendered by NERC and then only by request, except to the extent that the Part A information is made public.

3. Section 4 contemplates an application in two parts; A and B. Do you agree that Part A information is appropriate for public posting on a region or NERC Website? If not, which pieces of information should be redacted?

☐ Yes
☐ No
☐ Comments:

The information in Part A of Section 4 is only appropriate for a public posting but not for comment, since it describes general information about the element for which a submitting entity is requesting an exception. The information in Part B should be kept confidential.

4. Section 4.1 allows for multiple, similar elements to be separately identified but submitted in a single request or multiple entities to join in a single request for exception. What should be the scope of the Elements that can be contained in a single Request?

☐ Comments:

Suggest that the scope of the Elements that can be contained in a single Request should be based on:

1. Elements owned by the same entity.
2. Having similar electrical configurations and technical justifications for exception.
3. Information provided for each element along with a single line diagram to confirm configurations and electrical characteristics.

Multiple entities should only join a single request for elements with joint ownership and/or common interconnections. In addition, Facility owners and Reliability Coordinators or Regional Entities should also be allowed to file for a joint application.

The scope of elements should not be overly limited, as this may require unnecessary exception applications for elements having similar characteristics.

5. The procedure envisions (Sections 1.1 and 4.1) that, in addition to the owner for an element, any applicable Regional Entity, Planning Coordinator, Reliability Coordinator, or Balancing Authority may submit an Exception Request for an element. Do you agree that third parties should be able to request an Exception for an Element owned by another (whether or not the owner is on the Compliance Registry)? If so, please comment on which functional registrations are most appropriate to be allowed to do this.

☐ Yes
☐ No
☐ Comments:
Third parties limited to applicable Regional Entities, Planning Coordinators, Reliability Coordinators, or Balancing Authorities may submit an Exception Request for an element in their respective areas for reliability purposes, specifically in the case of inclusions.

6. With respect to entities that may be impacted by an exception decision, the procedure allows for multiple entities to join together in a single request. Should third parties be allowed to intervene as well? (For example, if Entity A submits an Exception Request for Element X to its Regional Entity for exclusion from the BES, but Entity B which is adjacent (electrically) to Entity A does not agree that Element X should be excluded, what options should be available to Entity B? What if Entity A and B are in different regions?) Please comment on what factors should be considered.

☐ Yes
☒ No
☐ Comments:

(Refer to the comments to Question 4)

Third parties (Entity B) not connected to the element should only be allowed to raise their concerns or endorsements to an application through the relevant Reliability Coordinator, Regional Entity or regulatory authority but not be allowed to intervene or file an exception. The only entities that should be allowed to raise concerns should be limited to the connected GO, TO or a distribution utility along with Reliability Coordinator, Regional Entity or regulatory authority. As such it should not matter if Entity A and Entity B are in the same regions. This should make the process more efficient. What is the criteria for intervention that should be allowed--i.e. demonstrative criteria that an intervening party must submit?

If two entities are in different regions, then the Regional Entity of that particular element in consultation with other regions should conduct an evaluation to decide whether or not the element under consideration should be a part of the BES. Any one of the Regional Entities (or jointly) can submit its recommendation to NERC for approval or disapproval. Following the submission of a recommendation to NERC, a submitting Entity or owner can still submit a comment in support of or in opposition to the recommendations.

[Refer to Section 8 of the "Draft BES exception procedure"]

7. Section 5.1.5 considers requests that are rejected as incomplete or inappropriate. Does this provide sufficient access to the process? Please comment as to what additional recourse is available to an entity that is still unable to “cure” a rejected Exception Request.

☒ Yes
☐ No
☐ Comments:
8. Section 8.0 describes NERC’s Approval or Disapproval of an exception request. Is this NERC review defined sufficiently? Please comment where this may be streamlined (for example, other methods besides panel review of every Request).

☑ Yes
☐ No
☐ Comments:

Language is required to acknowledge approval or disapproval of the relevant Federal, State or Provincial regulator.

9. What should be the status of an element during the pendency of the Request process?

☐ Comments:

The status of an element should remain the same before the request is submitted and should only change after a final decision has been rendered by the ERO or relevant regulatory authority.

10. Do you have any other comments not covered above?

☐ Comments:

The RoP Drafting Team is to be commended for having put forward an exception procedure that has creatively put forward a process to allow regulatory differences in North America while promoting fundamental principles of consistency to ensure the reliability of the interconnected transmission network. However, there are inherent differences between the regions that cannot be addressed in a single document, and a mention should be made of those regional differences.

The RoP team should develop a template for the technical assessment report that shall be used by all entities filing for an exception. Such a template will make the evaluation process more efficient.