Revisions to NERC Standard Processes Manual to Implement SPIG Recommendations

Unofficial Standard Comment Form

Please do not use this form for submitting comments. Please use the electronic form to submit comments on Draft 3 of the Standard Processes Manual (SPM) revisions. The electronic comment form must be completed by 8 p.m. Eastern December 20, 2012.

If you have questions please contact Laura Hussey at laura.hussey@nerc.net or by telephone at 404-446-2579. All project-related documents are available on the SPM project page.

Background Information

At its February 9, 2012 meeting, the NERC Board of Trustees (BOT) requested the assistance of the NERC Member Representatives Committee (MRC) to provide policy input, and a proposed framework, for specific improvements to the standards development process. The MRC Chair and Vice Chair invited several members of the MRC, two NERC BOT members, the NERC CEO, and the Standards Committee (SC) Chair – the group collectively known as the SPIG – to join with them as participants in developing recommendations to improve the standards development process. Further detail is available in the posted SPIG report.

The recommendations were presented to the BOT and approved on May 9, 2012. The SC was specifically charged with addressing SPIG Recommendations 1, 4, and 5. The SC has organized this effort by leveraging each of its subcommittees, the Process Subcommittee (SCPS) and the Communications and Planning Subcommittee (SCCPS), to work in parallel on developing proposed revisions and conducting outreach to industry stakeholders to ensure that all interested stakeholders have an opportunity to provide their input.

An initial ballot of Draft 2 of the proposed revisions to the SPM concluded on October 12, 2012 and received a 63% approval. The SCPS has reviewed all of the comments and made the following substantive changes in response to the comments:

- **VRFs, VSLs, Measures, and RSAWs:** The majority of the commenters recognize the burden that the development of VRFs and VSLs has on SDTs and support the development of potential alternatives. Commenters also expressed support for drafting team participation in developing RSAWs. Both of these items will require collaboration between the Standards Committee, NERC Standards staff, and NERC and Regional Compliance programs to develop and implement. Therefore the SCPS is continuing to work toward the elimination of the VRFs and the VSLs through the development of potential alternatives and is actively working with NERC and...
Regional Enforcement staff to establish a consensus on the concepts. In the same vein, NERC’s Compliance program is working with Regions and stakeholders to develop and implement the Reliability Assurance Initiative (RAI), and as this effort evolves the SC and NERC Standards staff will leverage opportunities to align drafting teams and compliance staff to ensure that the intent of drafting teams is captured in approaches to monitoring compliance.

While these concepts are further developed, Measures, VRFs and VSLs will continue to be drafted by the SDT and a non-binding poll of VRFs and VSLs will continue to be conducted consistent with current process.

- **Treatment of ‘No’ Votes During a Final Ballot** - Several commenters identified that during a Final ballot, there is no comment period. There is no obligation in the current SPM to accept comments during a recirculation ballot, and the proposed revisions to the SPM are consistent with the current SPM in that there is no comment period associated with a Final Ballot. Therefore, all ‘no’ votes submitted in a Final Ballot will count toward determination of both the quorum and consensus. Clarifying language and a new Footnote 24 have been inserted in section 4.11, to clarify this important point. Footnote 24 reads: *The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have commented or supported the comments of other groups during prior Formal Comment periods.*

- **Section 16.0 Waiver Provision**: In response to stakeholders concerns regarding transparency, openness and due process protections, the SCPS incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee.

- In addition, stakeholders identified a number of minor typographical errors and minor clarifications. These corrections have been made and are shown in the redline.

The SC, its subcommittees, and NERC staff continue to be grateful for the industry support on the improvements to the standard development process.

You do not have to answer all questions. Please do not resubmit comments provided during previous comment periods; if necessary, please refer to those comments as “*See comments of XYZ submitted in comment period closing month day, year.*” Enter all comments in simple text format as bullets, numbers, and special formatting will not be retained.
Questions:

1. Although a number of commenters expressed concern about discounting negative ballots without comments in the determination or consensus, the SC believes that this is a necessary and reasonable step to provide drafting teams with the information needed to develop a consensus standard. In the proposed revisions to the SPM, all negative votes with comments, including those votes submitted by balloters that participated in the development of group comments, will count in the determination of both a quorum as well as consensus. Although some commenters identified that this may cause some balloters to submit meaningless comments with their ‘no’ vote, the SC believes that the opportunity to participate in submitting comments through one of the many industry groups that develop consensus comments provides stakeholders who do not wish to develop their own set of comments with opportunities to inform standard drafting teams of their concerns without resorting to such tactics.

Several commenters identified that during a Final ballot, there is no comment period. There is no obligation in the current SPM to accept comments during a recirculation ballot, and the proposed revisions to the SPM are consistent in that there is no comment period associated with a Final Ballot. Therefore, all ‘no’ votes submitted in a Final Ballot will count toward determination of both the quorum and consensus. Clarifying language and a new Footnote 24 have been inserted in section 4.11, to clarify this important point. Footnote 24 reads: *The Final Ballot is used to confirm consensus achieved during the Formal Comment and Ballot stage. Ballot Pool members voting negative on the Final Ballot will be deemed to have commented or supported the comments of other groups during prior Formal Comment periods.*

With these revisions, indicated in redline form in the posted SPM, do you believe the proposed treatment of ‘no’ votes provides a fair opportunity for industry stakeholders to participate in the development of a consensus standard? If not, please provide a specific alternative that will ensure that a drafting team has the necessary stakeholder input to develop a consensus standard in a timely manner.

☑ Yes
☐ No

Comments:

2. In the first posted revisions to the SPM, the SCPS proposed the addition of section 16.0, which introduced a waiver provision to allow the SC some flexibility in administering the standards process to meet reliability needs. In other words, the waiver process allows the SC to modify the standards process in rare cases for good cause.
In response to stakeholder concerns regarding transparency, openness and due process protections, the SCPS incorporated the concept of a notice period for stakeholders prior to consideration of a waiver request by the Standards Committee and clarified how notice to stakeholders will be provided when the waiver provision is exercised. We have also incorporated a provision for the immediate reporting of waivers by the Standards Committee to the Standards Oversight & Technology Committee of the Board of Trustees.

With the addition of these steps, can you support the addition of the waiver provision in section 16.0?

☐ Yes
☒ No

Comments: The addition of the Waiver Section is a positive response to concerns from a previous submission, but there are still concerns that need to be addressed. The addition of a notice period prior to the consideration of a waiver request and reporting of such waivers to the BOT Standards Oversight and Technology Committee does not address due process concerns. Additional language needs to be included detailing the process by which suggested waivers will be vetted and approved through the Standards Committee. For example, if the intent is that the waiver should be used in rare cases for "good cause" only, there should be a high threshold for approving a waiver, such as a super-majority of the full Standards Committee. These details around how a waiver is proposed, considered, approved and enacted need to be articulated within Section 16.0. As currently written, there are some general steps outlined (i.e., a waiver request is submitted, a notice is issued, the Standards Committee takes action, and reports that action to the Standards Oversight and Technology Committee), but there is no minimum threshold for considering a waiver. Any entity can submit a request for waiver at any time and it will be considered by the Standards Committee. The Standards Committee is given very broad discretion on how it goes about considering and approving a waiver request. Additional thought needs to be given to what it takes to get a waiver approved through the Standards Committee. Once the waiver approval process is detailed and documented, only then can a stakeholder appeal of such a decision be based on any merit and understanding of how and why a waiver was granted. With such broad discretion on the waiver process suggesting that an entity can use the appeal process if they have issues with the Standards Committee decision on the waiver has little or no value. In addition to notifying the BOT's Standards Oversight and Technology Committee the Compliance and Certification Committee should also be notified of waivers.

This section proposes a time consuming provision to cover urgent reliability standard revisions, but not emergency situations requiring immediate action. Clear distinction and separation, possibly supported by separate processes, 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 procedure 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 wording added in Section 16.0 of the Standard Processes Manual does not provide for review and approval/rejection of the industry for any new standard or amendment adopted through the waiver process. The wording seems to allow for an entity to appeal (footnote 32), but that is an ineffective way to effect changes. While we support the waiver concept, it should include a post-factum review and approval process by the industry.

3. If you have any other comments on proposed revisions that you haven’t previously raised, please provide them here:

Comments: