Unofficial Comment Form
Project 2012-08.1 Phase 1 of Glossary Updates: Statutory Definitions

Please DO NOT use this form for submitting comments. Please use the electronic form to submit comments on the Standard. The electronic comment form must be completed by 8 p.m. ET March 22, 2013.

If you have questions please contact Soo Jin Kim at Soo.Jin.Kim@nerc.net or by telephone at 404-446-9742.

Background Information
This posting is in response to an initial ballot and formal comment period. This posting is soliciting response to definitions that now match the statutory language verbatim. In Paragraph 1894 of the Federal Energy Regulatory Commission (FERC) Order 693, the Commission directed the Electric Reliability Organization to include the statutory definitions of Bulk-Power System, Reliability Standard, and Reliable Operation in the NERC Glossary of Terms used in Reliability Standards:

“1894. The Commission directs the ERO to modify the glossary through the Reliability Standards development process to include the statutory definitions of the terms Bulk-Power System, Reliable Operation and Reliability Standard. However, this determination does not negate our discussion in the Applicability section of the Final Rule. While the glossary should be revised to include the statutory definition of Bulk-Power System, the Reliability Standards refer to the bulk electric system, which is also defined in the glossary.”

Inclusion of the statutory definitions for Bulk-Power System, Reliability Standard, and Reliable Operation in the NERC Glossary of Terms used in Reliability Standards will address three outstanding Commission directives. The proposed definitions for Bulk-Power System, Reliability Standard, and Reliable Operation are identical to the definitions found in Section 215 of the Federal Power Act.

The following definitions are proposed to be added to the NERC Glossary of Terms used in Reliability Standards in order to comply with the FERC directives in Paragraph 1894 of Order 693:

- **“Bulk-Power System”** means, A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and (B) electric energy from generation facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy.
• **“Reliability Standard”** means a requirement, approved by the Commission under this section, to provide for reliable operation of the bulk-power system. The term includes requirements for the operation of existing bulk-power system facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.

• **“Reliable Operation”** means operating the elements of the bulk-power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements.

As the proposed definitions for Bulk-Power System, Reliable Operation, and Reliability Standard are the statutory definitions for these terms contained in Section 215 of the Federal Power Act. NERC is proposing to make no modifications to the statutory definitions. The outstanding FERC directive requires...“the ERO to modify the glossary through the Reliability Standards development process."

On May 10, 2012, the Standards Committee (SC) authorized posting the Standard Authorization Request (SAR) for adding the statutory definitions of Bulk-Power System, Reliability Standard, and Reliable Operation to the NERC Glossary of Terms used in Reliability Standards for a 45-day formal comment period and initial ballot with the ballot open during the final 10 days of that comment period. The current posting details new proposed definitions that are in response to industry comments from that initial comment period and ballot, which occurred from June 19, 2012 through August 2, 2012.

Enter All Comments in Simple Text Format. Bullets, numbers, and special formatting will not be retained.

**Do you have any comments regarding the inclusion of the statutory definitions for Bulk-Power System, Reliability Standard, and Reliable Operation in the NERC Glossary of Terms?**

☑ Yes
☐ No

Comments: Should Reliability Standards apply only to the Bulk Electric System, or the Bulk Power System? The two definitions are redundant. All Reliability Standards should be consistent in the use of one term. It has been suggested that this reference to the Bulk Electric System might move to a totally different definition rather than keeping it “statutory”.

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The definition for Reliability Standard “...does not include any requirement to enlarge such facilities or
to construct new transmission capacity or generation capacity.” It should also be stated that the ERO
does not have the authority to dictate safety standards. It has been suggested by listing everything
NERC/FERC can’t do implies that what isn’t mentioned means they can do it.

The definition of Reliability Standard includes the phrase “...approved by the Commission under this
section...” A footnote should be added to clarify that this is referring to Section 215 in the EPAct 2005.

The definitions in Project 2012-08.1 are exactly as they appear in Section 215, which appears to be
what FERC directed in Order 693 at 1894. The problem is that Reliability Standard is defined differently
in the Rules of Procedure (see below) which is a concern. There should not be multiple definitions of a
term.

Appendix 2 to the NERC Rules of Procedure (Effective march 5, 2013) "Reliability Standard" means a
requirement to provide for Reliable Operation of the Bulk Power System, including without limiting
the foregoing, requirements for the operation of existing Bulk Power System Facilities, including
cyber security protection, and including the design of planned additions or modifications to such
Facilities to the extent necessary for Reliable Operation of the Bulk Power System, but the term
does not include any requirement to enlarge Bulk Power System Facilities or to construct new
transmission capacity or generation capacity. A Reliability Standard shall not be effective in the
United States until approved by the Federal Energy Regulatory Commission and shall not be
effective in other jurisdictions until made or allowed to become effective by the Applicable
Governmental Authority.

Suggest to include the following wording after each statutory definition listed (or add as a footnote) in the
NERC Glossary of Terms "Definition":
(Statutory Definition from Section 215 of the Federal Power Act of 2005 per FERC order 693.)

The title of the Reliability Standard document is "Reliability Standards for the Bulk Electric
Systems of North America". It is surprising that the "Reliability Standard" definition doesn't refer to the
"Bulk Electric Systems", but only to the bulk power system. We think that this is confusing and the
Reliability Standard definition should be revised to be precise as to how it applies to BES facilities.

The definition of Reliability Standard is problematic. It should be reviewed in the context of the ERO
being an International ERO. The revised definition implies approval by FERC is the only condition of a
reliability standard and the mention of Canadian jurisdictional approvals was entirely
removed. Regarding the opening sentence in the same definition, "Reliability Standard means a requirement..."--a standard is not a requirement in and of itself, and the language presents issues.

The NPCC participating members suggest that any definition and standards applicability considerations should account for the fact that NERC is the recognized ERO in areas that are beyond the Commission’s jurisdiction and include Canada and parts of Mexico. With that in mind suggest that the definition of the “Reliability Standard” is amended to replace “approved by the Commission” with “approved by Applicable Governmental Authorities”.

The proposed definition of the “Reliability Standard” uses extensively the lower case term “bulk-power system” to align it with the Section 215 of Energy Policy Act. The term “bulk-power system” should be used only when referring to the interconnected grid in general. Bulk Electric System (“BES”) is to be used in the context of NERC Reliability Standards. BES is a FERC and other applicable governmental authorities approved term. Furthermore, in Order 693, FERC found that “BES” was acceptable and should be used in the context of the applicability of Reliability Standards or NERC’s monitoring and enforcement of compliance with the Reliability Standards. BES is the portion of the bulk power system to which standards apply and should be used when that specific meaning is intended. It is our belief that the Reliability Standards should apply to the BES as a subset of bulk-power system as defined in Section 215 of the Energy Policy Act. Using the “bulk-power system” introduces confusion and should be removed.

According to the above, NPCC participating members recommend the following definition of Reliability Standard:

“Reliability Standard” means a requirement, approved by the governmental authority in each applicable jurisdiction, to provide for the reliable operation of the Bulk Electric System. The term includes requirements for the operation of existing Bulk Electric System facilities, including cyber security protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the Bulk Electric System, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.

The definitions listed in the NERC Rules of Procedure (Appendix A) for Bulk-Power System, Reliability Standard, and Reliable Operation should be updated. The definitions should be identical to the definitions found in Section 215 of the Federal Power Act.