Background Information:
On September 30, 2011, the North American Electric Reliability Corporation (NERC) filed a petition with the Federal Energy Regulatory Commission (FERC) requesting approval of its proposal to make informational filings in a “Find, Fix, Track and Report” (FFT) spreadsheet of lesser-risk, remediated possible violations of Reliability Standards. On March 15, 2012, the FERC issued an order conditionally accepting NERC’s FFT proposal. In paragraph 81 (P81) of that order, the FERC also stated:

The Commission notes that NERC’s FFT initiative is predicated on the view that many violations of requirements currently included in Reliability Standards pose lesser risk to the Bulk-Power System. If so, some current requirements likely provide little protection for Bulk-Power System reliability or may be redundant. The Commission is interested in obtaining views on whether such requirements could be removed from the Reliability Standards with little effect on reliability and an increase in efficiency of the ERO compliance program. If NERC believes that specific Reliability Standards or specific requirements within certain Standards should be revised or removed, we invite NERC to make specific proposals to the Commission identifying the Standards or requirements and setting forth in detail the technical basis for its belief. In addition, or in the alternative, we invite NERC, the Regional Entities and other interested entities to propose appropriate mechanisms to identify and remove from the Commission-approved
Reliability Standards unnecessary or redundant requirements. We will not impose a
deadline on when these comments should be submitted, but ask that to the extent such
comments are submitted NERC, the Regional Entities, and interested entities coordinate
to submit their respective comments concurrently.


Consistent with P81, a draft Standards Authorization Request (SAR) was drafted to set forth criteria
and a process to identify Reliability Standard requirements that either: (a) provide little protection to
the Bulk Electric System; (b) are unnecessary or (c) are redundant; and, thereafter, to have NERC file
the identified Reliability Standard requirements with FERC to have them removed from the FERC-
approved list of Reliability Standards.

**Standards Process Input Group (SPIG)**

In addition to addressing P81, the draft SAR was drafted consistent with what the SPIG developed as
Recommendation No. 4, as set forth in *NERC’s Recommendations to Improve The Standards
Development Process* on page 12 (April 2012), which states:

**Recommendation 4: Standards Product Issues** — The NERC board is encouraged to require that the
standards development process address: . . . The retirement of standards no longer needed to meet an
adequate level of reliability.

**Collaborative Process**

The draft SAR and the suggested list of Reliability Standard requirements embedded in the SAR for
consideration in the Initial Phase are the product of collaborative discussions among the following
entities and their members: Edison Electric Institute, American Public Power Association, National
Rural Electric Cooperative Association, Large Public Power Council, Electricity Consumers Resource
Council, The Electric Power Supply Association, Transmission Access Policy Study Group, the North

It is hoped the time, effort and resources dedicated to the collaborative discussions have resulted in a
reasonable SAR and an appropriately-scoped list of Reliability Standard requirements for the Initial
Phase. It is also noted the statements accompanying each of the identified Reliability Standard
requirements are the beginning of, and not necessarily a complete technical justification for,
retirement of the requirements. It is also understood that the P81 Standards Drafting Team will need
to coordinate discussions with other active Standard Drafting Teams concerning the retirement of
certain Reliability Standard requirements.
To obtain input on the draft SAR, the P81 Standards Drafting Team is posting the draft SAR for stakeholder comment for a 30-day comment period. Accordingly, it is requested that you submit your comments by September 4, 2012 via the electronic comment form.

Questions

1. Do you agree with the criteria listed in the SAR to identify Reliability Standard requirements for retirement?
   
   If not, please explain in the comment area.
   
   □ Yes  
   □ No  

   Comments: The wording of Criterion A implies that the original reliability standard requirement was a mistake, instead of being identified for retirement as part of an evolving process and learning curve. Suggested rewording could be:

   The Reliability Standard requirement has, over time, proven not to be useful to accomplish its initially intended reliability objective or has not produced clear results for the initially intended reliability objective.

   Criterion A, and Technical Criteria B9 “Little, if any, value as a reliability requirement” are redundant.

2. The Initial Phase of the P81 project is designed to identify all FERC-approved Reliability Standard requirements that easily satisfy the criteria. Do you agree that the suggested list of Reliability Standard requirements included in the draft SAR easily satisfy the criteria listed in the draft SAR?  
   
   If you disagree, please provide a statement supporting what Reliability Standard requirements you would add or subtract from the Initial Phase, including a citation to at least one element of Criterion B, as applicable.
   
   □ Yes  
   □ No  

   Comments: From page 25 of the SAR, “Since PRC-008-0 R1; PRC-008-0 R2; PRC-009-0 R1; PRC-009-0 R1.1; PRC-009-0 R1.2; PRC-009-0 R1.3; PRC-009-0 R1.4; PRC-009-0 R2; PRC-010-0 R2; PRC-022-1 R2 provides little protection to the BES and better handled under event analysis and lessons learned
papers, it should be removed." is not valid due to that fact that as of this posting the Event Analysis Program (EAP) has not become part of the RoP and is therefore a voluntary program. The requirements that are covered by these standards are mandatory and cannot be replaced by a voluntary program.

The EAP process is an after-the-fact Analysis of an event or events. These standard requirements (PRC-008-0 R1; PRC-008-0 R2; PRC-009-0 R1; PRC-009-0 R1.1; PRC-009-0 R1.2; PRC-009-0 R1.3; PRC-009-0 R1.4; PRC-009-0 R2; PRC-010-0 R2; PRC-022-1 R2) address different needs which can be determined only if such an event occurs.

For example, from PRC-008-0—“R1. The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization) shall have a UFLS equipment maintenance and testing program in place. This UFLS equipment maintenance and testing program shall include UFLS equipment identification, the schedule for UFLS equipment testing, and the schedule for UFLS equipment maintenance.” This requirement addresses the need to have an equipment maintenance and testing program in place prior to an event. Discovering that an entity did not have this as a result of an event analysis would, in this case, be after the damage is done and would not serve reliability. Analyzing why the UFLS program did not operate properly would come under the purview of the EAP but that is different from the Standard’s intent.

PRC-008-0—“R2. The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization) shall implement its UFLS equipment maintenance and testing program and shall provide UFLS maintenance and testing program results to its Regional Reliability Organization and NERC on request (within 30 calendar days).” If the EAP was relied upon to meet this requirement the receipt or confirmation of this program would only occur after an event.

PRC-009-0—“R1. The Transmission Owner, Transmission Operator, Load-Serving Entity and Distribution Provider that owns or operates a UFLS program (as required by its Regional Reliability Organization) shall analyze and document its UFLS program performance in accordance with its Regional Reliability Organization’s UFLS program. The analysis shall address the performance of UFLS equipment and program effectiveness following system events resulting in system frequency excursions below the initializing set points of the UFLS program. The analysis shall include, but not be limited to:

R1.1 A description of the event including initiating conditions.

R1.2 A review of the UFLS set points and tripping times.

R1.3 A simulation of the event.

R1.4 A summary of the findings.”
Although this Standard appears that it could be covered under EAP, it is a highly detailed technical study and needs to be carried out on its own accord. Event Analysis will focus primarily what caused the event that triggered the UFLS program but not necessarily the program itself. Because of the importance of the UFLS program to the reliability of the system, its performance should not be analyzed only on a voluntary basis and not only by those entities that actually shed load as a result of the event, but against the whole regional program.

PRC-009-0--“R2. The Transmission Owner, Transmission Operator, Load-Serving Entity, and Distribution Provider that owns or operates a UFLS program (as required by its Regional Reliability Organization) shall provide documentation of the analysis of the UFLS program to its Regional Reliability Organization and NERC on request 90 calendar days after the system event.”

This is administrative, refer to the response for R1 preceding.

PRC-010-0--“R2. The Load-Serving Entity, Transmission Owner, Transmission Operator, and Distribution Provider that owns or operates a UVLS program shall provide documentation of its current UVLS program assessment to its Regional Reliability Organization and NERC on request (30 calendar days).”

This should not be triggered only after an event, see response for R1 preceding.

PRC-022-1--“R2. Each Transmission Operator, Load-Serving Entity, and Distribution Provider that operates a UVLS program shall provide documentation of its analysis of UVLS program performance to its Regional Reliability Organization within 90 calendar days of a request.”

This is the same situation as for the UFLS program. Refer to the responses preceding.

The following requirements in Standard IRO-014-2 are administrative requirements only and do not enhance reliability, and should be considered for removal in the Initial Phase.

“R2. Each Reliability Coordinator shall maintain its Operating Procedures, Operating Processes, or Operating Plans identified in Requirement R1 as follows: [Violation Risk Factor: Lower] [Time Horizon: Same Day Operations and Operations Planning]

2.1. Review and update annually with no more that 15 months between reviews.

2.2. Obtain written agreement from all of the Reliability Coordinators required to take the indicated action(s) for each update.
2.3. Distribute to all Reliability Coordinators that are required to take the indicated action(s) within 30 days of an update.”

FAC-003-1 Requirements R3, and R4 (shown below) and their sub-requirements are administrative (reporting) requirements only and do not enhance reliability, and should be considered for removal in the Initial Phase.

“R3. The Transmission Owner shall report quarterly to its RRO, or the RRO’s designee, sustained transmission line outages determined by the Transmission Owner to have been caused by vegetation.  
R4. The RRO shall report the outage information provided to it by Transmission Owner’s, as required by Requirement 3, quarterly to NERC, as well as any actions taken by the RRO as a result of any of the reported outages.”

In addition, as shown below, CIP-005-3 R4 and CIP-007-3 R8 are essentially the same.  Suggest to eliminate CIP-005-3 R4 and include assessment of access points in CIP-007-3 R8.

CIP-005-3 R4:

R4. Cyber Vulnerability Assessment — The Responsible Entity shall perform a cyber vulnerability assessment of the electronic access points to the Electronic Security Perimeter(s) at least annually. The vulnerability assessment shall include, at a minimum, the following:
R4.1. A document identifying the vulnerability assessment process;
R4.2. A review to verify that only ports and services required for operations at these access points are enabled;
R4.3. The discovery of all access points to the Electronic Security Perimeter;
R4.4. A review of controls for default accounts, passwords, and network management community strings;
R4.5. Documentation of the results of the assessment, the action plan to remediate or mitigate vulnerabilities identified in the assessment, and the execution status of that action plan.”

CIP-007-3 R8:

“R8. Cyber Vulnerability Assessment — The Responsible Entity shall perform a cyber vulnerability assessment of all Cyber Assets within the Electronic Security Perimeter at least annually. The vulnerability assessment shall include, at a minimum, the following:
R8.1 A document identifying the vulnerability assessment process;
R8.2 A review to verify that only ports and services required for operation of the Cyber Assets within the Electronic Security Perimeter are enabled;
R8.3 A review of controls for default accounts; and,
R8.4 Documentation of the results of the assessment, the action plan to remediate or mitigate vulnerabilities identified in the assessment, and the execution status of that action plan.”

3. The subsequent phases of the P81 project are designed to identify all FERC-approved Reliability Standard requirements that could not be included in the Initial Phase due to the need for additional analysis or an editing of language. Please list any Reliability Standard requirements that you believe should be revised or retired in a subsequent phase, and include a brief supporting statement and citation to at least one element of Criterion B for each requirement listed.

Comments:

4. If you have any other comments or suggestions on the draft SAR that you have not already provided in response to the previous questions, please provide them here.

Comments: