



Northeast Power Coordinating Council: Cross-Border Regional Entity, Inc. (NPCC CBRE)

Draft Regional Reliability Standards Development Procedure



September 20, 2006

NPCC REGIONAL STANDARDS DEVELOPMENT PROCEDURE

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I. EXECUTIVE SUMMARY

The purpose of the Northeast Power Coordinating Council: Cross-Border Regional Entity, Inc. (NPCC CBRE) an affiliate of the Northeast Power Coordinating Council, Inc. ("NPCC Inc."), is to enhance the reliability of the international, interconnected bulk power system in Northeastern North America through the development of more stringent and specific regional reliability standards and compliance assessment and enforcement of continent-wide and regional reliability standards pursuant to the execution and implementation of a Regional Delegation Agreement with the Electric Reliability Organization ("ERO") and applicable Canadian Memoranda of Understanding that are backstopped by the Federal Energy Regulatory Commission ("FERC") and Canadian Provincial authorities. In the development and enforcement of Regional Reliability Standards, NPCC CBRE, to the extent possible, facilitates attainment of fair, effective, efficient, and competitive electric markets.

Membership in NPCC CBRE is voluntary and is open to any person or entity, including any entity participating in the Registered Ballot Body of the ERO that has an interest in the reliable operation of the Northeastern North American bulk power system. Membership in the Regional Reliability Organization, NPCC Inc., shall not be a condition for membership in NPCC CBRE. See Bylaws of the NPCC CBRE for further information.

The NPCC Regional Reliability Standards Development Procedure describes the procedures, policies and practices implemented to ensure an "open, fair, and inclusive" process for the transparent initiation, development, implementation and revision of NPCC CBRE Regional Reliability Standards necessary for the reliable operation of the international and interconnected bulk power system in Northeast North America. These Standards will, in all cases, not be inconsistent with or less stringent than any requirements of the North American Electric Reliability Council/Electric Reliability Organization (NERC/ERO) Reliability Standards. The procedure will not unnecessarily delay the development of the proposed reliability standards. Each regional reliability standard shall enable or support one or more of the reliability principles, thereby ensuring that each standard serves a purpose in support of the reliability of the regional bulk power system. Each standard shall also be consistent with all of pertinent reliability principles and criteria, thereby ensuring that no standard undermines reliability through an unintended consequence.

II. REGIONAL STANDARD DEVELOPMENT PROCEDURE

1. CHARACTERISTIC ATTRIBUTES

The NPCC CBRE Regional Reliability Standards Development Procedure is:

- **Open** — The NPCC CBRE Regional Reliability Standards Development Procedure provides any person the ability to participate in the development of a standard. Any entity that is directly and materially affected by the reliability of the CBRE's bulk electric system has the ability to participate in the development and approval of reliability standards. There are no undue financial barriers to participation. Participation in the open comment process is not conditional upon membership in the ERO, CBRE or any organization, and participation is not unreasonably restricted on the basis of technical

qualifications or other such requirements. NPCC CBRE utilizes a website to accomplish this. Online posting and review of standards and the real time sharing of comments uploaded to the site allow complete transparency.

- **Inclusive** — The NPCC CBRE Regional Reliability Standards Development Procedure provides any person with a direct and material interest the right to participate by expressing an opinion and its basis, have that position considered, and appealed through an established appeals process if adversely affected.
- **Balanced** — The NPCC CBRE Regional Reliability Standards Development Procedure has a balance of interests and all those entities that are directly and materially affected by the reliability of the CBRE’s bulk electric system are welcome to participate and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter. This will be accomplished through the NPCC CBRE Bylaws defining eight sectors (categories) for voting.
- **Fair Due Process** — The NPCC CBRE Regional Reliability Standards Development Procedure provides for reasonable notice and opportunity for public comment. The procedure includes public notice of the intent to develop a standard, a 45 day public comment period on the proposed standard request, or standard with due consideration of those public comments, and responses to those comments will be posted on the NPCC CBRE website. A final draft will be posted for a 30 day pre-balloting period, and a then a ballot of CBRE Members will be conducted upon approval by the Members, the CBRE Board then votes to approve submittal of the Regional Standard to NERC.
- **Transparent** — All actions material to the development of Regional Reliability Standards are transparent and information regarding the progress is posted on the NPCC CBRE website as well as through extensive email lists.

In as much as NPCC CBRE is one of several regional entities within the Eastern Interconnection of North America, there will be **no presumption of validity** by the ERO for any NPCC CBRE Regional Reliability Standard. In order to receive the approval of the ERO, the NPCC CBRE Reliability Standards Development Process must also achieve the following objectives:

- **No Adverse Impact on Reliability of the Interconnection** —An NPCC CBRE Regional Reliability Standard provides a level of bulk power system reliability that is necessary and adequate to protect public health, safety, welfare, and North American security and will not have an adverse impact on the reliability of the Interconnection or other Regions within the Interconnection.
- **Justifiable Difference** — An NPCC CBRE regional reliability standard is based on justifiable differences between Regions, such as different electrical systems or facilities, sensitivity of load to disruptions, sensitivity of generation

to disruptions, frequency and voltage sensitivity, system operating limit development and facilities ratings process, electrical system interactions etc.

- **Uniformity**- NPCC CBRE regional reliability standards shall provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. A NPCC CBRE reliability standard shall be more stringent than a continent-wide reliability standard, may include a regional variation that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the northeast's bulk power system.
- **No Undue Adverse Impact on Commerce** — An NPCC CBRE Regional Reliability Standard will not cause any undue adverse impact on business activities that are not necessary for reliability of the Region and its interconnected Regions. All regional reliability standards shall be consistent with NERC's market principles.

Other Attributes of the NPCC CBRE Regional Reliability Standards Development Procedure include;

- **Maintenance of Regional Reliability Standards**-NPCC CBRE Regional Standards will be reviewed for possible revision at least every three years and follow the same process as a new standard. The old standard will remain in place until such time as the revised version has passed through the entire process, at which point the old standard will be retired in accordance with any applicable new implementation plan associated with the approved revised standard. The review process shall be conducted by soliciting comments from the stakeholders and through open posting on the NPCC CBRE website. If no changes are warranted, Regional Standards Committee (RSC) shall recommend to the NPCC CBRE Board that the standard be reaffirmed. If the review indicates a need to revise or withdraw a standard, a regional standard authorization request shall be prepared by the RSC and submitted in accordance with the standards development process contained in this procedure.
- **Maintenance of Regional Reliability Standards Development Procedure**- This CBRE Regional Reliability Standards Development Procedure will be reviewed for possible revision at least once every five years or more frequently if needed and subject to the same procedure as that of the development of a standard. All such revisions shall be subject to approval by the NPCC CBRE Board, NERC, and applicable authorities in Canada. The NPCC RSC has the authority to make non-substantive changes to this procedure and subsequently notify the CBRE Board for their concurrence at their next scheduled meeting.
- **Interpretation of Standards**- All persons who are directly and materially affected by the NPCC's CBRE bulk power system reliability shall be permitted to request an interpretation of a standard. The person requesting an interpretation will send an email request to the Regional Standards Process Manager (RSPM), as noted on the NPCC CBRE website, explaining the

specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The request should indicate the material impact to the requesting party or others caused by the lack of clarity or a possibly incorrect interpretation of the standard. The standards process manager along with guidance from the RSC will forward the request to the originating Task Force which acted as the drafting team for that regional reliability standard. The Task Force will address, through a written response, the request for clarification as soon as practical, but not more than 45 business days from its receipt by the Task Force. This written interpretation will be posted along with the final approved and adopted standard and will stand until such time as the standard is revised through the normal process, at which time the standard will be modified to incorporate the clarifications provided by the interpretation.

2. ELEMENTS OF A RELIABILITY STANDARD

- **Elements of a Regional Reliability Standard**

To ensure uniformity of regional reliability standards, a regional reliability standard shall consist of the elements identified in this section of the procedure. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

All mandatory requirements of a regional reliability standard shall be within the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself.

Table 1- Elements of a Regional Reliability Standard

Identification Number	A unique identification number assigned in accordance with an administrative classification system to facilitate tracking and reference. (i.e. “NPCC- BAL-002-0-Date” which refers to NPCC regional standard, referencing NERC BAL-002 Version 0, with NPCC Effective Date-final adoption by all Reg. Authorities)
Title	A brief, descriptive phrase identifying the topic of the standard.
Applicability	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions. The standard will be applicable to the Bulk Power System unless otherwise noted.
Effective Date and Status	The effective date of the standard or, prior to approval of the standard, the proposed effective date.
Purpose	The purpose of the standard. The purpose shall explicitly state what outcome will be achieved or is expected by this standard.
Requirement(s)	Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies what entity is responsible and what action is to be performed or what outcome

	is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory.
Risk Factor(s)	<p>The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor in accordance with the criteria listed below:</p> <p>A High Risk Factor requirement (a) is one that, if violated, could directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures; or (b) is a requirement in a planning timeframe that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to abnormal condition.</p> <p>A Medium Risk Factor requirement (a) is a requirement that, if violated, could directly affect the electrical state or the capability of the bulk power system, or the ability to effectively monitor and control the bulk power system, but is unlikely to lead to bulk power system instability, separation, or cascading failures; or (b) is a requirement in a planning timeframe that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system, but is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to bulk power system instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p> <p>A Lower Risk Factor requirement is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or (b) is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.</p>
Measure(s)	Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure applies and the expected level of performance or outcomes required demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to

	realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.
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Table 2 — Compliance Elements of a Regional Reliability Standard

Compliance Monitoring Process	<p>Defines for each measure:</p> <ul style="list-style-type: none"> • The specific data or information that is required to measure performance or outcomes. • The entity that is responsible for providing the data or information for measuring performance or outcomes. • The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes. • The entity that is responsible for evaluating data or information to assess performance or outcomes. • The time period in which performance or outcomes is measured, evaluated, and then reset. • Measurement data retention requirements and assignment of responsibility for data archiving. • Violation severity levels.
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Supporting Information Elements

Interpretation	Any interpretation of regional reliability standard that is developed and approved in accordance with the “Interpretation of Standards” section of Appendix A of this procedure, to expound on the application of the standard for unusual or unique situations or to provide clarifications.
Implementation Plan	Each regional reliability standard shall have an associated implementation plan describing the effective date of the standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the standard in the compliance program and other considerations in the initial use of the standard, such as necessary tools, training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the standard.
Supporting References	<p>This section references related documents that support reasons for, or otherwise provide additional information related to the regional reliability standard. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Glossary of terms

	<ul style="list-style-type: none"> • Developmental history of the standard and prior versions • Notes pertaining to implementation or compliance • Standard references • Standard supplements • Procedures • Practices • Training references • Technical references • White papers • Internet links to related information
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3. TERMS AND FUNCTIONS

- **Regional Standards Committee (RSC)**—An NPCC CBRE committee charged with management of the CBRE Standards Procedure under a sector based voting structure as described in the CBRE bylaws. The NPCC CBRE RSC will consider requests for new or revised standards and be available for advisement to the CBRE Board on the standards.

The RSC may not itself modify the standard without issuing a new notice to stakeholders regarding a vote of the modified standard. Any RSC action will only be activated in the event of a minor correction of a standard such as errata.

The RSC is an open and balanced stakeholder committee inclusive of all stakeholder interests that provide for or are materially impacted by the reliability of the bulk power system.

The RSC disposition regarding the regional standard authorization request, which will in all cases be within 60 days of receipt of a completed standard request, shall include:

- Accept the standard request as a candidate for development of a new standard, revision of an existing standard, or deletion of an existing standard. The RSC may, at its discretion, expand or narrow the scope of the standard request under consideration. The RSC shall prioritize the development of standard in relation to other proposed standards, as may be required based on the volume of requests and resources.
- Reject the standard request. If the RSC rejects a standard request, a written explanation for rejection will be delivered to the requester within 30 days of the decision.
- Remand the standard request back to the requester for additional work. The standards process manager will make reasonable efforts to assist

the requester in addressing the deficiencies identified by the RSC. The requester may then resubmit the modified standard request using the process above. The requester may choose to withdraw the standard request from further consideration prior to acceptance by the RSC.

The CBRE Standard Process responsibilities of the RSC will include:

- Review of CBRE Draft Standards for such factors as completeness, sufficient detail, rational result, and compatibility with existing standards; clarifying standard development issues not specified in this procedure. Under no circumstance will the RSC change the substance of a draft standard.
 - Due consideration to the work of the drafting team as well as the comments of stakeholders and minority objections, in approving a proposed regional reliability standard to go to ballot.
 - Approve standards for pre-ballot posting under a sector based voting structure as described later in the CBRE Bylaws or
 - Remand the standard back to the Task Force acting as the drafting team for further work or recommend a change in those participating in the drafting team (i.e. a new drafting team).
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- **Regional Standards Procedure Manager (RSPM)** - The Regional Reliability Standards Procedure shall be administered by a CBRE staff Regional Standards Process Manager. The RSPM is responsible for ensuring that the development and revision of standards is in accordance with this manual. The RSPM works to ensure the integrity of the process, format, consistency of quality, and completeness of the reliability standards. The RSPM facilitates all steps in the process.
 - **Reliability Coordinating Committee (RCC)** —The RCC, acting in support of a service agreement between NPCC Inc. and NPCC CBRE, will support the standards development process through the assignment of NPCC Inc. Task Forces and the provide a technical advisory role in the Regional Reliability Standards development procedure through recommendations.
 - **Requester**— A Requester is any individual or an entity (organization, company, government authority, etc.) that submits a complete request for development, revision, or withdrawal of a standard. Any person or an entity that is directly and materially affected by an existing standard or the need for a new standard may submit a request for a new standard or revision to a standard. The Requester is assisted by the RSAR drafting team (if one is appointed by the RCC) to respond to comments and to decide if and when the RSAR is forwarded to the RCC with a request to draft a standard. The Requester is responsible for the RSAR, assisted by the RSAR drafting team and Regional Standards Process Manager, until such time the RCC authorizes development of the standard. The Requester has the option at any time to allow the RSAR drafting team to assume full responsibility for the RSAR. The Requester may chose to participate in subsequent standard drafting efforts related to the RSAR.

- **Task Forces and Working Groups,**—The committees, task forces and working groups within NPCC INC, acting in support of a service agreement between NPCC INC. and NPCC CBRE, serve an active role in the standards process:
 - Identify the need for new regional standards.
 - Initiate NPCC CBRE Standards actions by developing Regional Standard Authorization Requests (RSARs).
 - Post comments (views and objections) to standards actions.
 - Participate in CBRE Standard drafting.
 - Provide technical oversight in response to changing industry conditions and ERO Requirements.
 - Conduct Field Tests as required

4. PROCEDURE DESCRIPTION

STEPS 1 AND 2: REQUEST TO DEVELOP A NEW REGIONAL STANDARD

Requests to develop a new Regional Reliability Standard shall be submitted to the RSPM by completing a **Regional Standard Authorization Request (RSAR)** (*see Appendix A*). The RSAR is a description of the new or revised standard in sufficient detail to clearly define the scope, purpose, and importance of the Regional Standard, impacted parties or other relevant information. A “needs” statement will provide the justification for the development of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard. The RSPM shall maintain the RSAR form and make it available electronically on the NPCC CBRE Website.

Any person or entity (“Requester”) directly or materially affected by an existing standard or the need for a new or revised standard may initiate a RSAR.

The Requester will submit the RSAR to the RSPM electronically and the RSPM will acknowledge receipt of the RSAR immediately, through electronic receipt. The RSAR, as a minimum, needs to contain the following information in order to be qualified for consideration. The NPCC RSPM will assist the Requester to ensure all the following information is submitted (on the RSAR) in a form appearing in Appendix A:

1. Proposed Title and Date of New RSAR
2. Requester’s Name and Contact Information
3. Purpose of the Regional Standard
4. Description of Industry Need
5. Provide a Brief Description of the Standard
6. Identification of the Entities in the Functional Model as being Responsible to adhere to the standard.
7. Necessary information to assist the drafting the team, to the extent feasible, to allow them to draft the standard.
8. A cross references to existing NPCC or NERC documents

The RSPM shall forward all properly completed RSARs to the RSC. The RSC shall meet at established intervals to review all pending RSARs. The frequency of this review process will depend on workload, but in no case shall a properly completed RSAR wait for RSC action more than 60 calendar days from the date of receipt. The RSC may take one of the following actions:

- Remand the RSAR back to the RSPM for additional work. In this case, the RSPM may request additional information or clarification for the RSAR from the Requester.
- Accept the RSAR as a candidate for a new or revised standard. In this case, the RSC will forward the RSAR to the RCC to assign a NPCC Task Force to provide technical support and analysis of comments for that RSAR, and assist the Requester and the RSPM in the remaining steps of the process. The RSPM shall post notification of intent to develop a standard on both NPCC CBRE and ERO websites within 30 days of acceptance.
- Reject the RSAR. In this case, the RSC will provide a written explanation for rejection to the Requester within 30 calendar days of the rejection decision.

STEPS 3, 4, AND 5: RSC ACCEPTS RSAR AND RCC ASSIGNS TF TO DRAFT NEW OR REVISED STANDARD

A RSAR that is accepted by the RSC will be submitted to the RCC. Within 60 days the RCC shall assign the development of the standard to a Task Force Drafting Team. The RSPM shall solicit and recommend a list of additional candidates for appointment to the team and shall submit the list to the RSC. This list shall include the Requester. The RSC may select other individuals to serve, with the Task Force to draft the Standard. This team shall consist of a small group of people who collectively have the necessary technical expertise and work process skills.

The RSPM shall assign NPCC CBRE staff personnel to assist in the drafting of the standard including compliance measure, process and elements. The drafting of measures and compliance administration aspects of the standard will be coordinated with the Compliance Program.

STEP 6: SOLICIT PUBLIC COMMENTS ON DRAFT STANDARD

Once a draft standard has been verified by the RSC to be within the scope and purpose of the RSAR, the RSPM will post the draft standard for the purpose of soliciting public comments. The posting of the draft standard will be linked to the RSAR for reference. In addition to the standard, an implementation plan shall be posted to provide additional details to the public and aid in their commenting and decision process. Comments on the draft standard will be accepted for a 45-day period from the public notice of posting. Comments will be accepted on-line using the NPCC CBRE Open Process web-based application.

Well developed draft standards will be concurrently posted on the ERO website for comments.

STEPS 7, 8, AND 9: OPEN PROCESS POSTING AND ANALYSIS OF THE COMMENTS

The RSPM will assemble the comments on the new draft standard and distribute those comments to the Task Force acting as the standard drafting team. The Task Force shall give prompt consideration to the written views and comments of all participants. An effort to address all expressed comments shall be made, and each commenter shall be advised of the disposition of the comment and the reasons therefore, in addition to public posting of the responses.

The Task Force acting as the Standard Drafting Team shall take one of the following actions:

- Submit the draft standard for RCC endorsement as it stands, along with the comments received and responses to the comments. Based on the comments received, the Task Force acting as the standard drafting team may include revisions that are not substantive. A substantive change is one that directly and materially affects the application of the standard, including, for example: changing “shall” to “should,” changing “should” to “shall”; adding, deleting, or revising requirements; or adding, deleting, or revising measures for which compliance is mandatory.
- Requester withdraws the request for a standard.
- Make substantive revisions to the draft standard and reposts it for further open review and comment.
- Task Force recommends Field Test if necessary to RSC.

RCC submits proposed RRS to the RSC along with its recommendation based on comments, Task Force statements and any field test results.

STEPS 10 AND 11: RSC APPROVES OF THE NEW OR REVISED STANDARD FOR POSTING

If the RSC, acting with consideration of any recommendations by the RCC and utilizing the composite sector voting structure, as outlined in the Bylaws of the NPCC CBRE, votes to post the draft standard for approval, the draft standard, all comments received, and the responses to those comments shall be posted electronically for the NPCC CBRE Members, by the RSPM and made public through the NPCC CBRE Website (www.npcc-cbre.org) for a 30 day “pre-ballot review” and request for balloting. If the RSC decides more work is needed, the draft standard will be remanded back to the drafting Task Force. All actions of the RCC, Task Forces acting as drafting teams and the Regional Standards Working Group will be recorded in regular minutes of the group(s) and posted on the NPCC CBRE website. Once the notice for a ballot has been issued, no substantive modifications may be made to the proposed standard unless the revisions are posted and a new notice of the vote is issued

STEPS 12, 13 AND 14: BALLOT OF STANDARD

Upon notification of a ballot, the Members of NPCC CBRE’s registered ballot body will cast their vote consistent with the NPCC CBRE Bylaws. This ballot shall commence no sooner than 15 days and no later than 30 days following the notification of ballot. All members of the NPCC CBRE are eligible to register and participate in the voting on proposed, standard revisions or deletions of regional standards. The ballot period will typically begin immediately following the 30 day pre-ballot posting and will last at least 10 business days.

The NPCC CBRE registered ballot body comprises all entities or individuals that a) qualify for one of the eight NPCC CBRE stakeholder sectors and are registered with NPCC CBRE as potential ballot participants in the voting on standards. Each member of the NPCC CBRE registered ballot body is eligible to vote on standards.

In order for a CBRE Reliability Standard to be approved;

- A quorum must be established by at least 50% of the NPCC CBRE Members in at least two thirds of the sectors.
- A two-thirds majority of the total weighted sector votes cast must be affirmative. The number of votes cast is the sum of affirmative and negative votes, excluding abstentions, and non-responses. Weighted sector vote will be calculated as follows;
 - Affirmative votes cast in each sector will be divided by the sum of affirmative and negative votes cast, in that same sector, to determine the fractional affirmative vote for each sector. Abstentions and non-responses will not be counted for the purposes of determining the fractional affirmative vote for a sector.
 - The sum of the fractional affirmative votes from all sectors divided by the number of sectors voting will be used to determine if a two-thirds majority has been achieved. (A sector will be considered as “voting” if any member of the sector in the ballot pool casts either an affirmative or a negative vote.)
 - A standard will be approved if the sum of fractional affirmative votes from all sectors divided by the number of voting sectors is at least two thirds.

Ballots will be cast electronically and alternatives are as follows;

- Affirmative
- Affirmative with Comments
- Negative
- Negative with Comments
- Abstain

The RSPM shall post the final outcome of the ballot process. If the standard is rejected it may be withdrawn by either the RCC or the original Requester, or the standard may be remanded by the RSC back to the Task Force acting as the drafting team to address the issues. All comments submitted during the process will be posted and archived for consideration when redrafting the standard upon review.

The standard, once approved by ballot, a recommendation will be forwarded to the NPCC CBRE Board for final Regional approval. The Board may not make substantive modifications to the standard. If the Board does not approve the standard for transmittal to NERC it will be remanded back to the RSC.

If the standard is approved, the standard will be submitted to the NERC/ERO Board of Trustees for approval.

STEPS 15, 16 AND 17: IMPLEMENTATION OF THE CBRE RELIABILITY STANDARD

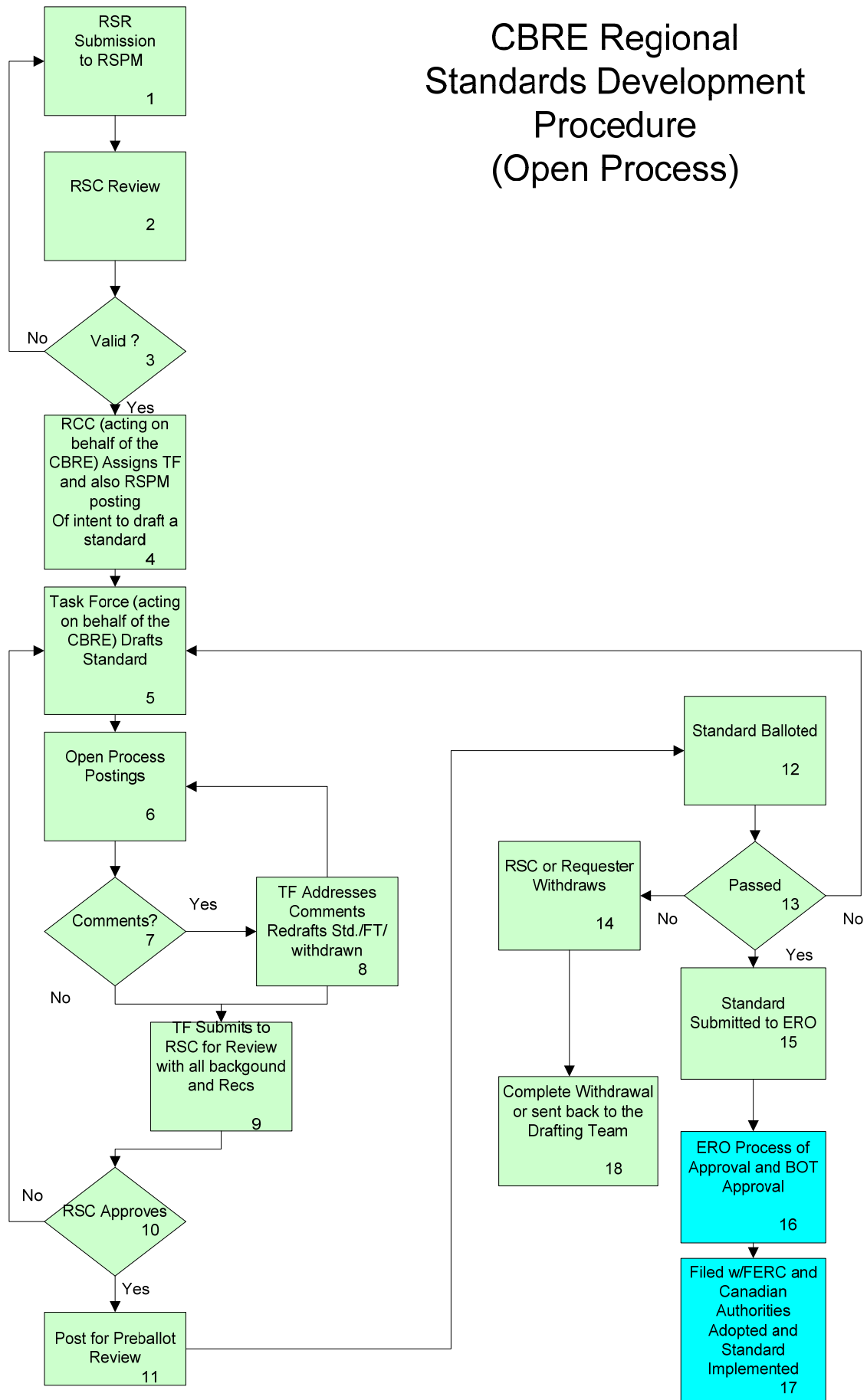
Upon approval within the NPCC CBRE, the standard will be submitted to the NERC/ERO for approval(s) and filing with FERC and applicable Canadian Governmental Authorities for adoption.

Once a reliability standard is adopted and made effective, all users, owners, planners, and operators of the Bulk Power System of the Northeast are required to comply with the standard. The NERC/ERO Board of Trustees has established a separate compliance program, also administered in the Northeast by NPCC CBRE, to measure compliance with the standards and administer sanctions as appropriate. After adoption of a NPCC CBRE Reliability Standard, the standard will be forwarded to the compliance program for compliance monitoring and enforcement.

STEP 18: WITHDRAWAL OF STANDARD

Upon rejection of a proposed standard, the RCC or the requester may withdraw the standard completely or remand it back to the Task Force acting as the standard drafting team for further work.

CBRE Regional Standards Development Procedure (Open Process)



6. ERO and Regulatory Process and Approvals

- **NERC/ERO Comment Period** —NERC/ERO shall publicly notice and request comment on the NPCC CBRE Regional Reliability Standard, allowing a minimum of 45 calendar days for comment on their website and actively notify all adjoining Regions. Concurrent with this regional posting, well developed drafts will be forwarded to NERC for posting on their website to ensure full industry awareness of the standard and expedite and coordinate all commenting. All comments will be responded to electronically through a posted response on the NPCC CBRE website or a link on the NERC website. NPCC CBRE shall have an opportunity to resolve any objections identified in the comments and may choose to withdraw the request, revise the NPCC CBRE Regional Reliability Standard and request another posting for comment, or submit the NPCC CBRE Regional Reliability Standard along with a response to any objections received, for approval by NERC.
- **NERC/ERO Approval of NPCC CBRE Regional Reliability Standards** — Proposed regional reliability standards shall be subject to approval by the NERC/ERO who shall have a process to evaluate and recommend whether a proposed non-Interconnection-wide NPCC CBRE Regional Reliability Standard has been developed in accordance with all applicable procedural requirements and whether NPCC CBRE has considered and resolved stakeholder objections. NPCC CBRE, having been notified of the results of the evaluation and recommendation concerning a NPCC CBRE Regional Reliability Standard, shall have the option of presenting the Standard to the board for approval as a NERC Reliability Standard. The NERC/ERO Board shall consider NPCC CBRE's request, the scope and implications of the Standard, the recommendation for action on the Standard, any unresolved stakeholder comments, and NPCC CBRE's consideration of comments and unresolved issues if any, in determining whether to approve the NPCC CBRE Regional Reliability Standard as a NERC Reliability Standard.
- **Regulatory Authority Approval** — An NPCC CBRE Regional Reliability Standard that has been approved by the NERC/ERO board shall be filed with FERC and applicable Canadian Governmental Authorities for approval and shall become effective and enforceable, per Section 215 of the Federal Power Act, only when adopted by FERC and applicable Canadian Governmental Authorities. The regional reliability standard, once adopted will be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk power system owners, operators, and users within the NPCC Region, regardless of membership status.

7. Appeals

- Persons who have directly and materially affected interests and who have been or will be adversely affected by any substantive or procedural action or inaction related to the development, approval, revision, reaffirmation, or withdrawal of a regional reliability standard shall have the right to appeal.

This appeals process applies only to the standards process as defined in this procedure.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made within 30 days of the date of the action purported to cause the adverse effect, except appeals for inaction, which may be made at any time. In all cases, the request for appeal must be made prior to the next step in the process.

The final decisions of any appeal shall be documented in writing and made public.

The appeals process provides two levels, with the goal of expeditiously resolving the issue to the satisfaction of the participants:

- Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant submits a complaint in writing to the RSPM that describes the substantive or procedural action or inaction associated with a reliability standard or the standards process. The appellant describes in the complaint the actual or potential adverse impact to the appellant. Assisted by any necessary staff and committee resources, the RSPM shall prepare a written response addressed to the appellant as soon as practical, but not more than 45-days after receipt of the complaint. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response will be made a part of the public record associated with the standard and posted with the standard.

- Level 2 Appeal

If after the Level 1 Appeal the appellant remains unsatisfied with the resolution, as indicated by the appellant in writing to the standards process manager, the RSPM shall convene a Level 2 Appeals Panel. This panel shall consist of five members total appointed by the CBRE's board.

In all cases, Level 2 Appeals Panel members shall have no direct affiliation with the participants in the appeal.

The RSPM shall post the complaint and other relevant materials and provide at least 30-days notice of the meeting of the Level 2 Appeals Panel. In addition to the appellant, any person that is directly and materially affected by the substantive or procedural action or inaction referenced in the complaint shall be heard by the panel. The panel shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 Appeal. The panel may in its decision find for the appellant and remand the issue to the RSC with a statement of the issues and facts in regard to which fair and equitable action was not taken. The panel may find against the appellant with a specific statement of the facts that demonstrate fair and equitable treatment of the appellant and the appellant's objections. The panel may not, however, revise,

approve, disapprove, or adopt a reliability standard. The actions of the Level 2 Appeals Panel shall be publicly posted.

In addition to the foregoing, a procedural objection that has not been resolved may be submitted to the NPCC CBRE Board for consideration at the time the board decides whether to adopt a particular reliability standard. The objection must be in writing, signed by an officer of the objecting entity, and contain a concise statement of the relief requested and a clear demonstration of the facts that justify that relief. The objection must be filed no later than 30-days after the announcement of the vote on the standard in question.

APPENDIX A

Information in a Regional Standard Authorization Request (RSAR)

The tables below identify information to be submitted in a Regional Standard Authorization Request to the NPCC Regional Standards Manager, NPCC-CBREstandard@npcc.org . The NPCC Cross-Border Regional Entity (CBRE) Regional Standards Process Manager shall be responsible for implementing and maintaining this form as needed to support the information requirements of the standards process.

Regional Standard Authorization Request Form

Title of Proposed Standard:
Request Date:

RSAR Requester Information

<i>Name:</i>	RSAR Type (Check box for one of these selections.)	
Company:	<input type="checkbox"/>	New Standard
Telephone:	<input type="checkbox"/>	Revision to Existing Standard
Fax:	<input type="checkbox"/>	Withdrawal of Existing Standard
Email:	<input type="checkbox"/>	Urgent Action

Purpose (Describe the purpose of the proposed standard – what the standard will achieve in support of reliability.)
Industry Need (Provide a detailed statement justifying the need for the proposed standard, along with any supporting documentation.)
Brief Description (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Reliability Functions

The Standard will Apply to the Following Functions (Check all applicable boxes.)		
<input type="checkbox"/>	Reliability Coordinator	The entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator’s vision.
<input type="checkbox"/>	Balancing Authority	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
<input type="checkbox"/>	Interchange Authority	Authorizes valid and balanced Interchange Schedules.
<input type="checkbox"/>	Planning Authority	The responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.
<input type="checkbox"/>	Transmission Service Provider	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable transmission service agreements.
<input type="checkbox"/>	Transmission Owner	The entity that owns and maintains transmission facilities.
<input type="checkbox"/>	Transmission Operator	The entity responsible for the reliability of its “local” transmission system, and that operates or directs the operations of the transmission facilities.
<input type="checkbox"/>	Transmission Planner	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority Area.

<input type="checkbox"/>	Resource Planner	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific loads (customer demand and energy requirements) within a Planning Authority Area.
<input type="checkbox"/>	Generator Operator	The entity that operates generating unit(s) and performs the functions of supplying energy and Interconnected Operations Services.
<input type="checkbox"/>	Generator Owner	Entity that owns and maintains generating units.
<input type="checkbox"/>	Purchasing-Selling Entity	The entity that purchases or sells, and takes title to, energy, capacity, and Interconnected Operations Services. Purchasing-Selling Entities may be affiliated or unaffiliated merchants and may or may not own generating facilities.
<input type="checkbox"/>	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer.
<input type="checkbox"/>	Load-Serving Entity	Secures energy and transmission service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

Reliability and Market Interface Principles

Applicable Reliability Principles <i>(Check all boxes that apply.)</i>	
<input type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained, and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis.
Does the proposed Standard comply with all of the following Market Interface Principles? <i>(Select ‘yes’ or ‘no’ from the drop-down box.)</i>	
Recognizing that reliability is a Common Attribute of a robust North American economy:	
<input type="checkbox"/>	1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes

2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft a standard based on this description.)

Related Standards

Standard No.	Explanation

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Related SARs or RSARs

SAR ID	Explanation