

# Unofficial Comment Form

## Enhanced Periodic Review Process and Draft 2015-2017 Reliability Standard Development Plan

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 **July 21, 2014**.

If you have questions please contact [Laura Hussey](#) via email or by telephone at 404-446-2579.

All documents for this project are available on the [project page](#).

### Background Information for Draft Enhanced Periodic Review Process

At the February 6, 2014 Board of Trustees (Board) meeting, the Board requested that NERC management and the leadership of the Standards Committee (SC) work together to develop a mutually acceptable metric for 2015-2017, including a content and quality grading system for the Reliability Standards as part of the metric. Jointly, the following approach was developed, and was endorsed by the SC on March 12, 2014 and, in summary form, adopted by the Corporate Governance and Human Resources Subcommittee of the Board on March 20, 2014:

#### 2014 and 2015 metric

The metric for 2014 and 2015 focuses on ensuring certain Reliability Standard projects are timely completed. For 2014 the Standard projects are all high priority, many with regulatory deadlines.

#### 2016 and 2017 metric

The implementation of an enhanced Reliability Standard periodic review for quality and content that takes into consideration the following issues: (1) folding the enhanced quality and content periodic review into the period review required by Section 13 of the Standards Processes Manual; (2) a quality and content review of the steady state Standards developed, considering the use of, or adaptation of, the 2013 Independent Expert Review Team's quality and content scoring system; (3) the formation of a cross-functional team to conduct periodic reviews of steady state Reliability Standards, potentially consisting of Committee chairs, NERC management, and NERC and stakeholder subject matter experts (with all task force meetings open to the public); (4) use by the team of the quality and content system developed in response to 2), above, to identify needed enhancements to steady state standards for inclusion in a Standards Authorization Request (SAR) processed through the standards development process and completed within a year from the date of posting of the SAR, unless technical review and study are needed (to the extent possible, the inclusion of identified enhancements in a SAR shall be limited to focused enhancements rather than re-opening entire Standards); and

(5) the development of an annual task force review timeline starting with having the cross-functional task force operational no later than mid-2015, so it can identify which standards will undergo the enhanced periodic review for inclusion in the 2016-2018 Reliability Standards Development Plan.

The above summary of the metric approach shows a focus on the completion of transforming NERC's Reliability Standards to a steady state by the end of 2015<sup>1</sup> and, thereafter, the initiation of an enhanced periodic review to address quality and content issues related to the steady state Reliability Standards. It is contemplated that approximately 25 percent of the steady state Reliability Standards will undergo the enhanced period review in 2016, and another 25 percent in 2017.

At its March meeting the SC appointed a periodic review development team (consisting of the SC Executive Committee and the Project Management and Oversight and Process Subcommittee chairs) to work with NERC Staff and Legal to develop the attributes of the enhanced quality and content periodic review. This team developed an approach to address the Board's direction, summarized below and set forth in the attached template along with a stakeholder comment form. The approach has been preliminarily reviewed by the SC and approved for posting for stakeholder comment. Based on stakeholder comments, the SC will consider if the proposed approach should be enhanced prior to its endorsement and requesting NERC's Board consideration.

#### **Summary of draft enhanced periodic review approach:**

- The enhanced periodic review approach will satisfy NERC's obligations under Section 13 of the Standard Processes Manual, and will be conducted in accordance with that section.
- The SC shall appoint a standing cross-functional team including NERC staff and the NERC standing committee representatives to work with the Section 13 "*review team of subject matter experts.*" This team will be appointed by the SC, who will review and adopt the results of the team's deliberations.
- The cross-functional team shall be operational no later than the beginning of 2015, making recommendations to the SC on the Reliability Standards that should undergo the enhanced periodic review in 2016-2018 and be included in the 2016-2018 Reliability Standards Development Plan.
- NERC's five-year periodic review template that was successfully employed for a number of standards in 2013 and 2014 has been revised and adapted to include quality and content questions developed by the Independent Expert Review Panel not already included. The template was further adapted to eliminate duplicative questions, and to provide the cross-

---

<sup>1</sup> Steady state as set forth in the 2014-2016 Reliability Standards Development Plan and 2014-2016 Standards Committee Strategic Work Plan is a set of clear, concise, high quality and technically sound Reliability Standards that are results-based, together with retirement of requirements that do little to promote reliability.

functional review team with a clear framework to conduct the periodic reviews. A new question was added to consider whether the applicability section or requirements can be revised for smaller entities, provided that there is technical justification to support the enhanced applicability.

- A dashboard will be developed for each reviewed Standard indicating whether it has a score of Green, Yellow or Red, according to the following grading system:
  - Green = no quality and content changes needed – Standard confirmed as steady state;
  - Yellow = the standard is sufficient to protect reliability, however there may be future opportunity to improve quality and content – i.e., continue to monitor; and
  - Red = Standard needs to be revised to address identified quality and content issues.
- Standards graded as “Red” by the cross-functional review team will be revised in a manner consistent with applicable sections of the Standards Processes Manual.

You do not have to answer all questions. Enter comments in simple text format. Bullets, numbers, and special formatting will not be retained.

## Questions

1. In order to provide both consistency in the approach to reviewing standards, as well as adequate subject matter expertise to thoroughly review specific standards, it is proposed the cross functional team reviewing and grading standards be comprised of the following: (i) a standing team made up of the Chairs of the Standards, Operating and Planning Committees (and Critical Information Protection Committee for CIP Standards), and NERC’s executive management of the Standards and of the Reliability Assessment and Performance Analysis groups; (ii) supplemented according to the standards being reviewed with specific subject matter experts (SMEs), including both stakeholder SMEs solicited by the standing team and NERC SMEs as assigned by NERC management.

Do you agree with the composition of the cross functional review team? If not, please explain and suggest an alternative.

Yes

No

Comments: It isn’t clear whether the cross functional review team will have subject matter experts on it, or whether a technical review team will be separately appointed. It should be clearly stated in all the documents that the cross functional team will have subject matter

experts for the standard under review. Technical expertise is required to fill out the Periodic Review Template.

The SMEs should be solicited from industry, similar to the selection of the SDT, not solicited and selected by the standing team or NERC management.

2. In 2013, representatives of the Standards Committee worked with NERC staff to develop a template to be used by five-year review teams. The template contained questions to ensure that review teams followed a consistent approach in reviewing standards and appendices for referencing the criteria developed by the Paragraph 81 standard drafting team to be used for evaluating whether requirements should be retired because they do not contribute significantly to reliability. This template has been revised for use by the above-mentioned cross-functional review team, and is posted along with this comment form.

Do you agree with the questions in the template? If there are additional questions you believe should be added, please provide them in your comments.

- Yes  
 No

Comments:

3. Do you agree with the grading system using Green, Yellow, and Red? If not, please explain and suggest improvements.

- Yes  
 No

Comments: Verbiage should be used instead of the color coding system for the dashboard. Using words instead of colors is adequate to convey the intended message. The grading system should be binary: a standard is either sufficient to protect reliability, or the standard needs to be revised. There are very few, if any, standards that can meet the "Green" definition "no quality and content changes needed...".

4. Do you believe that a question related to the cost effectiveness of the standard should be added to the template as a way to institutionalize considerations of cost effectiveness?

Yes  
 No

Comments: The question should ask whether a more cost-effective means can be found and if so, what?

5. Are there any other comments you have on the template?

Yes  
 No

Comments: Subject matter experts are needed to evaluate the Template's Section II., Content.

6. Chapter 4 of the 2013 Independent Experts' report recommends consolidating approximately 25 requirements and regrouping some requirements into a New Construct for clarity and simplification. NERC Staff and the Standards Committee are interested in whether you believe that consolidating and regrouping some of the requirements, either as recommended by the Independent Experts or with modifications to the New Construct suggestion, would be beneficial? If you answered yes, please indicate in your comments whether the New Construct should be considered during the periodic reviews of standards or, if not, indicate when and how the New Construct should be initiated.

Yes  
 No

Comments: Consolidating and regrouping existing requirements will not affect reliability, and does not justify the expenditure of time and resources to accomplish.

7. If you have any other comments on the enhanced approach to periodic reviews that you haven't already mentioned above, please provide them here:

Comments: Results of a cross functional team analysis should be made readily available. It is unclear as to what the approval process is for completed cross functional team work. For example, is NERC Board of Trustees' review and approval the final step?

The RSDP mentions that some standards were delayed because they were coordinated with other standards. Coordinating one standard's development with another should help

towards reducing redundant requirements and aligning time lines and implementation, justifying any delays.

Standards development should be given sufficient time. Without giving the SDT sufficient time to draft the standard and without giving industry sufficient time to review it, quality may be compromised.

## **Background Information for Draft 2015-2017 Reliability Standards Development Plan**

The 2015-2017 Reliability Standards Development Plan (2015-2017 RSDP) is another bold step toward transforming the NERC Reliability Standards to “steady-state” (for purposes of this Plan, that means a stable set of clear, concise, high-quality, and technically sound Reliability Standards that are results-based, including retirement of requirements that do little to promote reliability). During 2015, the NERC Reliability Standards will reach Steady-State<sup>2</sup> and the number of active projects will dramatically decrease. Concurrently, to begin the final transition in the transformation process, the industry-endorsed criteria for evaluating the content and quality of standards will be applied to standards or standard families during enhanced periodic reviews, focused on continuous improvement.

With the support of the Standards Committee and industry stakeholders, NERC Reliability Standards have made great strides over the last two years. By the end of 2015, the majority of the Paragraph 81 candidates,<sup>3</sup> the Independent Expert Review Panel’s (IERP) recommendations for requirement retirement, and Federal Energy Regulatory Commission (FERC) directives issued prior to December 2012 will have been addressed. Projects that were languishing for years, as well as five-year reviews will have been completed. The industry will also have completed large projects to respond to FERC orders, including, for example, Geomagnetic Disturbances, Critical Infrastructure Protection (CIP) Version 5 Revisions, and CIP-014 Physical Security, revised the Transmission Operations (TOP) and Interconnection Reliability Operations and Coordination (IRO) standards to address concerns identified in FERC’s proposed remand, and addressed the majority of FERC directives issued after December 2012. This is a significant achievement – the Standards Committee worked diligently with NERC to determine project schedules and manage industry workload. Stakeholders engaged throughout North America to provide expertise during standard development ensuring projects could reach completion.

---

<sup>2</sup> As stated in the 2014-2016 RSDP and 2014-2016 Standards Committee Strategic Work Plan, Steady State means a set of clear, concise, high quality and technically sound Reliability Standards that are results-based, while retiring requirements that do little to promote reliability.

<sup>3</sup> There are 6 P81 candidates that will be addressed during the enhanced periodic reviews.

Now, in the 2015-2017 RSDP, the number of projects necessary to reach Steady-State by 2015 is reduced and the pace of the work will likely become more deliberate. Six projects that began during 2014 will be completed in 2015, while four new projects will be initiated in 2015, with one focused on aligning the Glossary of Terms used in NERC Reliability Standards with the Definitions used in the Rules of Procedure (Rules of Procedure, Appendix 2). This reduction in planned projects provides a bandwidth to: 1) respond to emerging risks, if any, to reliability, 2) establish a quality and content enhanced periodic review, and 3) address any new FERC orders or directives. Also, given the increased focus on quality during the standard development process as well as active engagement of FERC Office of Electric Reliability staff during the standards development process, FERC directives and orders on existing standards are expected to trend lower.

Following the completion of the work to achieve steady-state, the Reliability Standards will continue to be assessed for quality, content or alignment with other standards through enhanced periodic reviews, using industry-developed criteria<sup>4</sup> and building on the foundation established by the IERP<sup>5</sup>. These periodic reviews will also provide an opportunity to incorporate lessons learned from understanding the characteristics of quality, content and results-based standards; further target applicability based on risk; and clarify compliance assessment so the Reliability Standards achieve the intended reliability benefit without creating undue burden on industry.

## Questions

8. For the 2015-2017 RSDP, are there any outstanding reliability gaps or issues that are not addressed by the existing Standard projects that you believe need to be addressed by a new Standard project?

- Yes  
 No

Comments: Based on the industry approval of the following two projects, and the work needed to bring them to completion, they should be added:

Project 2007-17.3 - (PRC-005-X) Protection System Maintenance and Testing - Phase 3 (Sudden Pressure Relays)

Project 2010-13.3 - Phase 3 of Relay Loadability: Stable Power Swings

9. Do you agree with the prioritization ranking (high, medium, low) of the 2015 projects?

<sup>4</sup> The Independent Experts developed criteria is described in their final report, [Standards Independent Experts Review Project](#), however this criteria was not vetted with industry.

<sup>5</sup> The North American Electric Reliability Corporation (NERC) retained five industry experts to independently review the NERC Reliability Standards, setting the foundation for a plan that will result in a set of clear, concise and sustainable body of Reliability Standards. The primary scope was an assessment of the content and quality of the Reliability Standards, including identification of potential Bulk-Power System (BPS) risks that were not adequately mitigated.

Yes No

Comments: It is not clear though, why none of the 2015 projects were ranked as high priority. It suggests that NERC expects that other projects, which will be considered to be High Priority, may require attention, and therefore ranked these known 2015 projects as Medium or Low Priority only.

10. Please provide any other comments you have on the 2015-2017 RSDP.

Comments: The content of the paragraph at the bottom of page 10 going into page 11 is repetitious and should be reworded.

As we commented to Question 3, in the Reliability Standards Development Plan verbiage should be used instead of the color coding system for the dashboard. Using words instead of colors is adequate to convey the intended message. The grading system should be binary: a standard is either sufficient to protect reliability, or the standard needs to be revised. There are very few, if any, standards that can meet the “Green” definition “no quality and content changes needed...”.

From the 2014 and 2015 Metric on the top of page 12, “...ensuring certain Reliability Standard projects are completed in a timely manner” is a goal, not a metric.

In the Sustainable Approach to Periodic Reviews on page 12, it is noted that NERC’s reliability standards will be transitioned to steady state by the end of 2015. Steady state should be characterized as being sufficient in terms of quality and content issues, not just being completed in a timely manner. Suggest that the term steady state not be used because the quality and content metrics will not be applied to the metrics until 2016. NERC Quality Reviews to address the quality and content of standards should begin in 2015 if the term steady state is continued to be used.

What constitutes the completion of a project?

On page 8, the bolded wording heading the last set of bullets should be revised to read:

These projects have all been completed or...