

NERC Version 0

Giving the Standards Process a Transfusion, Plus Other Bulk Power Reliability Standards in the Making

NARUC Staff Subcommittee on
Electric Reliability

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July 11, 2004



Topics

- Version 0 reliability standards
- Streamlined standards process
- Cyber security standard
- Vegetation management standard
- Additional priority standards



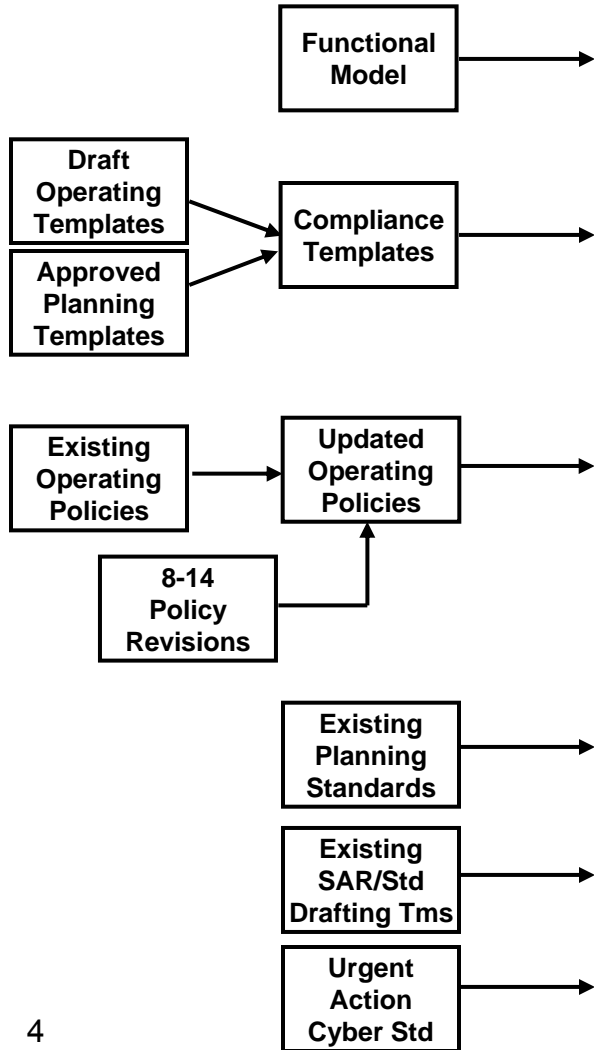
Accelerated Standards Transition

- August 14 message: need clear and measurable standards:
 - US/Canada TF recommendations 1, 17, 25
 - FERC reliability policy statement and May 14 technical conference
- Multiple sets of ‘reliability rules’
 - Operating policies, planning standards, compliance templates, new standards
 - Industry volunteer resources spread too thin
- Minimize transition impacts and ensure reliability continuity

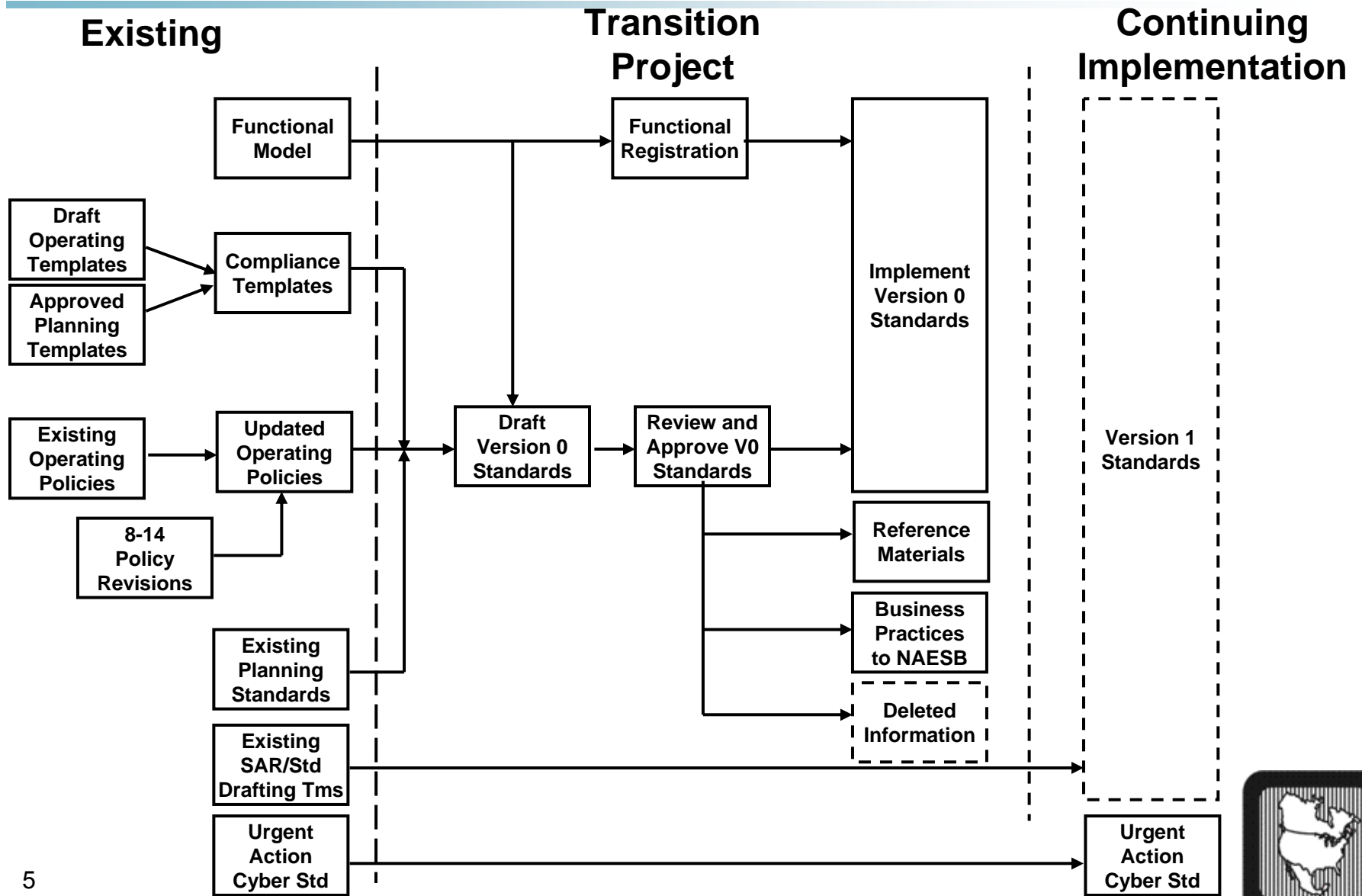


Status of Standards April 2004

Existing



Transition Project Overview



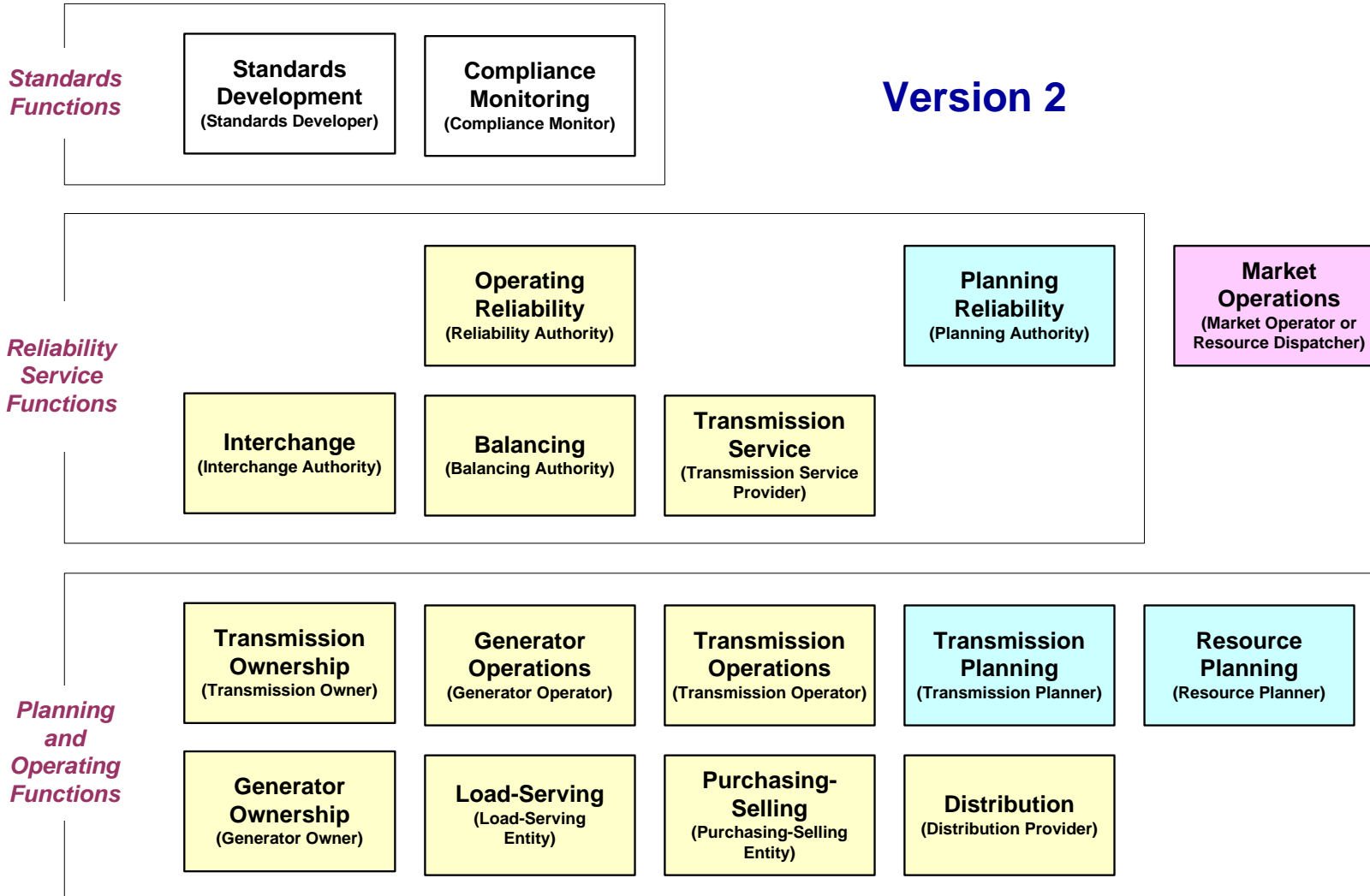
Goal for Version 0

- Restate existing Operating Policies and Planning Standards in terms of the functional model
- Incorporate the recently approved compliance templates
- Separate out business practice standards to be developed by NAESB
- Add clarity to standards
- Minimize changes in substantive content from existing standards



Functional Model

Version 2



Version 0 Status

- Board of Trustees approved accelerated standards transition plan – June 15
- Version 0 posted for 30-day comment period – July 9
- Version 0 discussion at standing committee meetings – July 20-22
- Revised draft posted for comment – Sep 2004
- Standing Committee consideration – Nov 2004
- Ballot – Dec 2004
- Board of Trustees approval – Feb 2005



Support for Project

- Message from NERC committees:
 - NERC is moving expeditiously to achieve the goal of allowing the Board to adopt the Version 0 reliability standards at its February 2005 Board meeting;
 - The existing ANSI-accredited standards process can and should be used to adopt the Version 0 reliability standards; and
 - NERC committees are committed to work with NAESB, the IRC, the Regional Councils, and the industry to achieve the stated goals.
- SAR response: 27-1 in favor of project



NAESB Business Practice Standards

- Companion Version 0 business practice standards
- Evaluating existing operating policies and planning standards for potential business practices
 - NAESB Business Practices Subcommittee
 - Operating Committee subcommittees
 - Version 0 Drafting Team
 - Market Committee
- Present recommendations for action by Joint Interface Committee on July 16



Streamline Standards Process

- Goals
 - Retain ANSI accreditation and principles
 - Streamline NERC administrative procedures, e.g.
 - More complete initial standards requests
 - Validate steps completed
 - More efficient use of resources
- Approach:
 - Empower SAC to recommend revisions to administrative procedures for BOT approval
 - Fundamental tenets posted to ballot body for comment and ballot prior to BOT adoption
- Progress
 - Proposed manual revision posted for public comment
 - Ballot in August 2004
 - BOT consideration in October 2004



Other Possible Changes

- Limiting number of comment periods for SAR and draft standard
- Encouraging more detailed SARs and draft standards initially
- Giving SAC authority to provide quality assurance
- Allowing urgent action SARs for 2 years, not 1
- Allowing SAC to validate early steps satisfied
- Encouraging technical committee participation in drafting
- Using same team for drafting SAR and standard
- Lengthening comment and posting periods



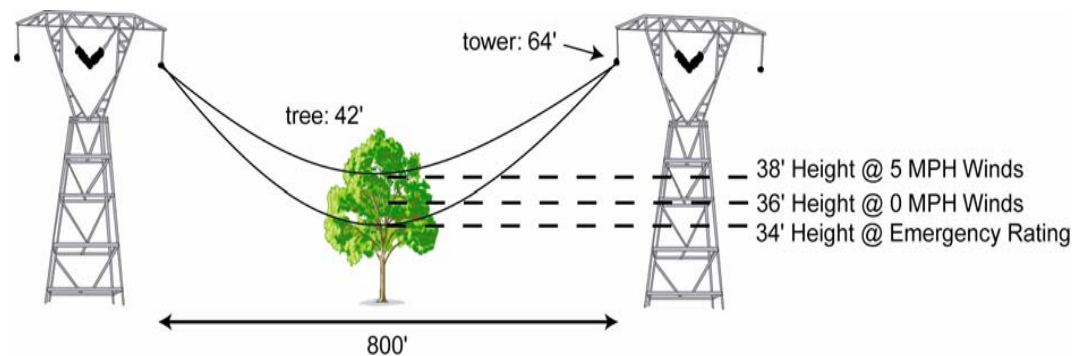
Cyber Security Standard

- Interim Urgent Action Standard
 - One-year extension open for ballot through July 14
 - Request BOT approval of extension in August
 - Self-certification repeated in first quarter 2005
- Permanent cyber security standard
 - Drafting team formed and being expanded
 - SAC approved starting standard drafting
 - BOT consideration by August 2005



Vegetation Management Standard

- US-Can TF: NERC should develop a standard defining the minimum clearances between vegetation and energized conductors.
- FERC reliability policy statement
- NERC board directive to develop a standard on vegetation clearances
- Approach:
 - Leverage prior analysis and established good practices
 - SAR posted for comment
 - Expert drafting team being formed



Additional Priority Standards

- Operator training
- Operating tools
- Organization certification
- Line (facility) ratings
- System protection (zone 3, UFLS, UVLS)
- Voltage control and reactive reserves
- Operating reserves
- Data synchronization, recording, retention



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