

Midwest Reliability Organization

MRO Reliability Standards Process Manual

Version 2.0 – Approved by MRO Board of Directors *month dd, yyyy*

September 29, 2004

MRO Reliability Standards Process Manual

Table of Contents

Introduction	1
Background	2
Organization-MRO Reliability Standard Definition, Characteristics, and Elements .	3
Roles in the Organization-MRO Reliability Standards Development Process	6
Adoption of the NERC Reliability Standards	8
Organization-MRO Reliability Standards Consensus Development Process	9
Maintenance of Organization-MRO Reliability Standards and Process	19
Appendix A: Template for a Standard Authorization Request (SAR)	23
Appendix B: Ballot Body Registration Procedures	28
Appendix C: Balloting Examples	31

MRO ~~Organization-Reliability~~ Standards Process Manual

(September 2004 TN proposed revisions 2/23/2005)

Introduction

Purpose This manual defines the characteristics of an ~~Organization~~-MRO Reliability Standard of the Midwest Reliability Organization (MRO) and establishes the process for development of consensus for adoption, approval, revision, reaffirmation, and withdrawal of such standards. MRO ~~Organization-Reliability~~ Standards apply to the reliability planning and operation of bulk electric systems located within the Midwest Reliability Organization region.

Authority This manual is published by the authority of the MRO Board of Directors, who shall have the sole authority to modify the manual. A procedure for revising the manual is provided in the section titled Maintenance of ~~Organization~~-MRO Reliability Standards and Process.

Credits This manual was derived from the NERC Reliability Standards Process Manual (available at www.nerc.org). Thus the MRO ~~Organizational-Reliability~~ Standards process is very similar to the NERC process and t. The MRO ~~Organizational-Reliability~~ Standard format is the same as the NERC Reliability Standard format.

Background The NERC Reliability Standards were developed by the North American Electric Reliability Council (NERC). NERC works with all segments of the electric industry, including electricity users, to develop standards for the reliable planning and operation of bulk electric systems. The purpose of the NERC Reliability Standards is to promote reliability, while at the same time accommodating competitive electricity markets. Historically, NERC standards were effectively applied on a voluntary basis. The NERC Board of Trustees has established that enforcement of such standards through penalties and sanctions is a necessary step for the continuing reliability of North American bulk electric systems.

The NERC Reliability Standards Process provides for regional differences. Regions (such as the MRO) may develop, through their own processes, separate regional reliability standards that go beyond, add detail to, or implement NERC Reliability Standards, or that cover matters not addressed in NERC Reliability Standards. Regional Reliability Standards may:

- (i) be developed and exist separately from NERC Reliability Standards; or
- (ii) be proposed as NERC Reliability Standards; or
- (iii) be formed by simply adopting NERC Reliability Standards.

NERC requires that Regional Reliability Standards that exist separately from the NERC Reliability Standards shall not be inconsistent with or less stringent than such NERC Reliability Standards. Adopting a NERC Reliability Standard as a Regional Reliability Standard obligates the region to monitor and enforce compliance with such standard.

The MRO Reliability Standards include Regional Reliability Standards described above as well as NERC Reliability Standards adopted for compliance purposes.

Background

~~**NERC Regional Standards and Regional Differences** Regions may develop, through their own processes, separate Regional Standards that go beyond, add detail to, or implement NERC Reliability Standards, or that cover matters not addressed in NERC Reliability Standards. Regional Standards may be developed and exist separately from NERC Reliability Standards, or may be proposed as NERC Reliability Standards. Regional Standards that exist separately from NERC Reliability Standards shall not be inconsistent with or less stringent than NERC Reliability Standards. A Regional Standard that is proposed to be made a NERC Reliability Standard shall be considered during the NERC standards process in accordance with the Criteria for Regional Standards and Regional Differences section below. These criteria provide that:~~

- ~~—Interconnection-wide Regional Standards are presumed to be valid, and there is a burden of proof to demonstrate otherwise in accordance with the stated criteria; and~~
- ~~—Regional Standards that are not applied on an Interconnection-wide basis are not presumed to be valid but may be demonstrated by the proponent to be valid in accordance with the stated criteria.~~

~~The MRO Organizational Standards include both Regional Standards as defined above and NERC Reliability Standards adopted for compliance.~~

~~Those MRO Organizational Standards that are not adopted as NERC Reliability Standards are Regional Standards that exist separately from the NERC Reliability Standards.~~

~~MRO Reliability Standard Differences from the NERC Reliability Standards are MRO Organizational Standards that are accepted as NERC Reliability Standard Differences through the normal NERC Reliability Standards process.~~

~~**Criteria for Regional Standards and Regional Differences** Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:~~

- ~~—Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;~~
- ~~—Would have a significant adverse impact on reliability or commerce in other Interconnections;~~
- ~~—Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or~~
- ~~—Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability.~~

~~Proposals for Regional Standards or Regional Differences that are intended to apply only to **part of an Interconnection** will be included in a NERC Reliability Standard only if the proponent demonstrates that the proposed Regional Standard or Regional Difference:~~

- ~~—Was developed in a fair and open process that provided an opportunity for all interested parties to participate;~~
- ~~—Would not have an adverse impact on commerce that is not necessary for reliability;~~
- ~~—Provides a level of bulk electric system reliability that is adequate to protect public health, safety, welfare, and national security and would not have a significant adverse impact on reliability; and~~
- ~~—Is based on a justifiable difference between Regions or between sub-Regions within the Regional Council's geographic area.~~

MRO Reliability Organization Standard Definition, Characteristics, and Elements

~~**Definition of an MRO Reliability Organization Standard**~~ A ~~MRO~~ ~~Organization~~ Reliability Standard defines certain obligations or requirements of entities that operate, plan, and use the bulk electric systems of the Midwest Reliability Organization region. The obligations or requirements must be material to reliability and be measurable.

~~Organizational~~ MRO Reliability Standards include:

- ~~1. both Regional Reliability Standards that exist separately from the NERC Reliability Standards and which were developed through the MRO Reliability Standards consensus development process; and~~
- ~~2. Regional Reliability Standards that the MRO has proposed as NERC Reliability Standards in accordance with the NERC Reliability Standards consensus development process; and~~
- ~~3. as defined by NERC and developed through the MRO organization standards consensus development process or a NERC Reliability Standards that have been adopted for the MRO compliance process purposes.~~

~~**Characteristics of an Organizational MRO Reliability Standard**~~ A ~~MRO~~ ~~Organization~~ Reliability Standard may include standards for the operation and planning of interconnected systems and market interface practices. The format and process defined by this manual applies to all ~~Organizational~~ MRO Reliability Standards.

~~An Organizational~~ A MRO Reliability Standard shall have the following characteristics:

- ~~**Material to Reliability**~~ - ~~An Organizational~~ MRO Reliability Standard shall be material to the reliability of bulk electric systems of the MRO region. If the reliability of the bulk electric systems could be compromised without a particular standard or by a failure to comply with that standard, then the standard is material to reliability.
- ~~**Measurable**~~ - ~~An Organizational~~ A MRO Reliability Standard shall establish technical or performance requirements that can be practically measured.
- ~~**Relative to NERC Reliability Standards**~~ - ~~An Organizational~~ A MRO Reliability Standard must go beyond, add detail to, or implement NERC Reliability Standards, or cover matters not addressed in NERC Reliability Standards.

Although Organization Standards have a common format and process, several types of ~~Organization~~ MRO Reliability Standards may exist, each with a different approach to measurement:

- **Technical standards** related to the provision, maintenance, operation, or state of electric systems will likely contain measures of physical parameters and will often be technical in nature.
- **Performance standards** related to the actions of entities providing for or impacting the reliability of bulk electric systems will likely contain measures of the results of such actions, or the nature of the performance of such actions.
- **Preparedness standards** related to the actions of entities to be prepared for conditions that are unlikely to occur but are critical to reliability will likely contain measures of such preparations or the state of preparedness.

Elements of an Organizationa MRO Reliability Standard An Organizationa MRO Reliability Standard shall consist of the elements shown in the Organization-MRO Reliability Standard Template. These elements are intended to apply a systematic discipline in the development and revision of Organization-MRO Reliability Standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent. The format allows a clear statement of the purpose, requirements, measures, and penalties for non-compliance associated with each standard. All mandatory requirements of an Organizationa MRO Reliability Standard shall be within an element of 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. Types of supporting documents are described in a later section of the manual.

Organization Standard Template

The following are the cCore eElements of an-a MRO Reliability Organization-Standard

Identification Number	A unique identification number assigned by the Standards Process Manager in accordance with a published (www.midwestreliability.org) classification system to facilitate tracking and reference to the standards.
Title	A brief, descriptive phrase identifying the topic of the standard.
Effective Date and Status	The effective date of the standard or, prior to adoption of the standard by the Board of Directors, the proposed effective date. The status of the standard will be indicated as active or by reference to one of the numbered steps in the standards process.
Purpose	The purpose of the standard. The purpose shall explicitly state what outcome will be achieved by the adoption of the standard. The purpose is agreed to early in the process as a step toward obtaining approval to proceed with the development of the standard. The purpose should link the standard to the relevant Principle(s).

Requirement(s)	Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies who 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. Any additional comments or statements for which compliance is not mandatory, such as background or explanatory information, should be placed in a separate document and referenced. (See Supporting References)
Measure(s)	Each requirement shall be addressed by one or more measurements. Measurements that will be used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measurement sh will identify to whom the measurement applies. Each measurement shall be tangible, practical, and as objective as is practical. It is important to realize that the measurements are proxies to assess required performance or outcomes. Achieving the full compliance level of each measurement should be a necessary and sufficient indicator that the requirement was met.
Expected Performance or Outcomes	Defines the expected level of performance or outcomes for each measurement.

Compliance Administration Elements

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 to provide suchthe data or information for measuring performance or outcomes. • The process that will be used to evaluate such data or information for the purpose of assessing performance or outcomes. • The entity that is responsible for evaluating such 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.
Levels of Non-Compliance	Defines the levels of non-compliance for each measure, typically based on the actual or potential severity of the consequences of non-compliance.
Sanctions	Defines all penalties or sanctions associated with non-compliance, typically based on level of non-compliance and number of offenses.

Supporting Information Elements

Interpretations	Formal interpretations of the Organization -MRO Reliability Standard. Interpretations are temporary, as the standard should be revised to incorporate the interpretation.
Supporting References	This section will reference related documents that support implementation of the Organization -MRO Reliability Standard, but are not themselves mandatory. Examples include, but are not limited to: <ul style="list-style-type: none"> • Glossary of Terms • Developmental history of the standard and prior versions • Subcommittee(s) responsible for standard • Notes pertaining to implementation or compliance • Standard Reference • Standard Supplement • Procedure • Practices • Training Reference • Technical Reference • White Paper • Internet links to related information

Roles in the ~~Organization~~-MRO Reliability Standards Development Process

Nomination, Revision or Withdrawal of a Standard Any member of the MRO, or group within MRO shall be allowed to request that an ~~Organization~~-MRO Reliability Standard be developed, modified, or withdrawn. Additionally, any person (~~Organization~~, company, government agency, individual, etc.) who is directly and materially affected by the reliability of Midwest Reliability Organization's bulk electric systems shall be allowed to request that an ~~Organization~~-MRO Reliability Standard be developed, modified, or withdrawn.

Process Roles

Board of Directors - The MRO Board of Directors shall consider for adoption as ~~Organization~~-MRO Reliability Standards the standards that have been approved by a Ballot Body. Once the Board adopts an ~~Organization~~-MRO Reliability Standard, compliance with the standard ~~sh~~will be enforced consistent with the bylaws and the effective date.

Standards Committee - The Standards Committee (SC) will consider which requests for new or revised standards should be assigned for development. The Standards Committee will manage the standards development process. The Standards Committee shall advise the MRO Board of Directors on ~~Organization~~-MRO Reliability Standards presented for adoption by the Board.

Ballot Body - The Ballot Body comprises all entities that:

- 1. Qualify for one of the Industry Segments approved by the MRO Board of Directors¹, and
- 2. Are registered with the MRO as potential ballot participants in the voting on standards, and
3. Are current with any designated fees.

–Each member of the Ballot Body is eligible to participate in the voting process for each Standards Action (add, change or withdraw).

The Ballot Body will ensure, through its vote, the need for and the technical merits of a proposed Standards Action and the appropriate consideration of views and objections received during the development process. The Ballot Body votes to approve each Standards Action.

The MRO Reliability Standards Process relies on an open and inclusive participation of the electric utility industry. While the MRO Sectors provide for broad industry representation based on business models within the organization structure, it does not necessarily provide for input from various segments within a Sector. Several MRO Sectors have business units or Segments that are governed by different industry standards. The MRO Reliability Standards Process addresses this difference by reflecting in its Standards Process a similar Ballot Body comprised of Segments similar to those being utilized by the NERC instead of the MRO Sectors (see Appendix B).

Standards Process Manager – This is an MRO staff function. The Organization MRO Reliability Standards Process shall be administered by a Standards Process Manager (identified at www.midwestreliability.org). The Standards Process Manager is responsible for ensuring that the development and revision of standards is in accordance with this manual. The Standards Process Manager works to ensure the integrity of the process and consistency of quality and completeness of the Organization MRO Reliability Standards. The Standards Process Manager facilitates all steps in the process.

Standards Process Staff - MRO staff will assist the SC, Requester and Standards Drafting Teams.

Requester - A Requester is any person or entity (organization, company, government agency, etc.) that submits a complete request for development, revision, or withdrawal of a standard. Any person or 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, a revision to a standard, or a withdrawal of a standard.

Compliance Committee - The mission of the MRO Compliance Committee is to manage and enforce compliance with MRO Organization Reliability Standards. The development of an Organization MRO Reliability Standard, in particular the measures and compliance administration portions of the standard, shall have direct input from the Compliance Committee. Field testing will also be managed and coordinated with the

¹ Appendix B contains a description of the latest version of the Industry Segments approved by the Board of Directors.

Compliance Committee. The Compliance Program Manager, an MRO staff function, and the **Compliance Working Group (CWG)** shall provide inputs and comments during the standards development process to ensure the measures will be effective and other aspects of the Compliance Program can be practically implemented.

Standard Drafting Team - A small (5-10 people) team of technical experts, approved by the Standards Committee, that:

- Develops the details of the standard
- Considers and responds to comments
- Participates in industry forums to help build consensus on posted draft standards

Adoption of the NERC Reliability Standards

~~The NERC Reliability Standards Process is open and fair and allows all interested parties to participate.~~ In accordance with the MRO Bylaws, a NERC Reliability Standard must be adopted as a MRO Reliability Standard before MRO can enforce compliance. ~~Therefore the~~ Because the NERC Reliability Standards Process is open, fair, and allows all interested parties to participate, the MRO can adopt ~~a~~ NERC Reliability Standards as an MRO ~~Organization-Reliability~~ Standard ~~doesn't require~~ without requiring the full MRO ~~Organization-Reliability~~ Standards Consensus Process (i.e., ~~The~~ use of the MRO ballot body). ~~In accordance with the MRO bylaws, a NERC Reliability Standard must first be adopted as an Organization Standard by the MRO to be enforced with penalties for non-compliance.~~ The MRO has three options on how to deal with NERC Reliability Standards:

1. ~~Any action taken by the Board must be consistent with the NERC requirements for Regional Standards.~~ First the MRO Board of Directors, upon a recommendation of the Standards Committee, can adopt the NERC Reliability Standard to be implemented as soon as the Bylaws allow. In this case the NERC Reliability Standard ~~and it~~ will be treated like other MRO ~~Organizational~~ Reliability Standards.
2. ~~The second option is for the MRO Board of Directors can~~ adopt the NERC Reliability Standard with conditions on implementation. *The Board cannot change the content of the NERC Reliability Standard* but can place conditions on the implementation of the Standard within the MRO due to timing issues, budget or other constraints.
3. ~~The third option is for the MRO Board of Directors can~~ adopt the NERC Reliability Standard as a MRO ~~Organizational-Reliability~~ Standard without penalties for non-compliance. In this case, ~~h~~ However, sanctions for violation of this NERC Reliability Standard will ~~not take place under the MRO's filings before FERC or other regulatory bodies, but will~~ be under the authority NERC, not the MRO, has for imposing sanctions.

~~A NERC Reliability Standard adopted by the MRO is excluded from the MRO balloting process. The following describes the process to be followed the MRO will follow to determine how a NERC Reliability Standard will be treated in the MRO.~~

Step 1 - Request to Adopt or Withdraw a NERC Reliability Standard

The ~~Standards Committee~~ SC will review each new or modified NERC Reliability Standards and make a recommendation to the MRO Board of Directors on whether to

adopt it as a ~~MRO Reliability Organization~~ Standard or not. If the new NERC Reliability Standard is to replace ~~an existing Organization Standard that was~~ a previously adopted NERC Reliability Standard, the recommendation will be whether or not to replace the existing ~~Organization-MRO Reliability~~ Standard. If NERC withdraws a Reliability Standard the MRO has previously adopted ~~as an Organization Standard~~, the SC will make a recommendation to the ~~MRO Board of Directors~~ on whether or not to withdraw the ~~Organization-MRO Reliability~~ Standard.

Step 2 - Adoption of the ~~Organization-NEERC Reliability Standard by the Board~~

The ~~MRO Board of Directors~~ will consider any advice offered by the ~~MRO Standards Committee~~SC concerning adoption of the NERC Reliability Standard. The ~~MRO Board of Directors~~ may adopt or reject a standard, but may not modify a proposed ~~Organization MRO Reliability~~ Standard. If the ~~MRO Board of Directors~~ chooses not to adopt a standard, it shall provide its reasons for not doing so. Members of the MRO will still be obligated to comply with the NERC Standards, since the Bylaws state in Section 5.6 Obligations of Members that "...each Member acknowledges and it is authorized and agrees to comply with all ~~Organizational-MRO Reliability~~ Standards, all NERC standards and requirements" Enforcement of any sanctions associated with this standard will be under the authorities that NERC has for imposing sanctions. ~~An Organization MRO Reliability~~ Standard that is adopted by the ~~MRO Board of Directors~~ shall become effective on a date designated by the ~~MRO Board of Directors~~ in accordance with the implementation plan. The implementation plan may place the standard in effect as soon as the Bylaws allow or it may place conditions on when the standard will be implemented within the MRO, due to timing issues, budget or other constraints. The standard will be publicly posted ([at www.midwestreliability.com](http://www.midwestreliability.com)), showing the final status. If the recommendation is to withdraw ~~an Organizationa MRO Reliability~~ Standard, the ~~MRO Board of Directors~~ will provide reasons for not withdrawing it if that is their choice. The withdrawal of ~~an Organizationa MRO Reliability~~ Standard will be publicly posted and will be removed as ~~an Organizationa MRO Reliability~~ Standard on the date specified by the ~~MRO Board of Directors~~.

Step 3 - Implementation of Organization Standard

Once the ~~MRO Board of Directors~~ adopts a NERC Reliability Standard ~~is adopted as an~~ ~~Organizationa MRO Reliability~~ Standard, all persons and organizations subject to the Bylaws of MRO are required to comply with the Standard in accordance with those Bylaws and other applicable agreements. The adopted ~~Organization-MRO Reliability~~ Standard will then be monitored by the MRO Compliance Committee to oversee the implementation and assess the effectiveness of the ~~Organization-MRO Reliability~~ Standard. After adoption of a MRO ~~Organization-Reliability~~ Standard, the standard will be forwarded to the Compliance Manager for implementation.

MRO Reliability~~Organization~~ Standards Consensus Development Process

Overview

The MRO process for development of ~~Organizational-MRO Reliability~~ Standards ~~that are categorized as NERC Regional Standards~~ (other than those adopted directly from the NERC Reliability Standards) is illustrated in the Process Diagram on page ___ and has the following characteristics:

- **Due process** - Any person with a direct and material interest has a right to participate by:
 - a) expressing an opinion and its basis,
 - b) having that position considered, and
 - c) appealing if adversely affected.
- **Openness** - Participation is open to all persons who are directly and materially affected by MRO region bulk electric system reliability. There shall be no undue financial barriers to participation. Participation shall not be conditional upon membership in MRO or any organization, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements.
- **Balance** - The MRO **reliability** standards development process shall have a balance of interests and shall not be dominated by any single interest category.

The MRO **reliability standards development** process is intended to develop consensus, first on the need for the standard, then on the standard itself. The process includes the following key elements:

- **Nomination of a proposed standard, revision to a standard, or withdrawal of a standard** using a Standard Authorization Request (SAR).
- **Public posting of the SAR** to allow all parties to review and provide comments on the need for the proposed standard and the expected outcomes and impacts from implementing the proposed standard. Notice of standards shall provide an opportunity for participation by all directly and materially affected persons.
- **Review of the public comments** in response to the SAR and prioritization of proposed standards, leading to the authorization to develop standards for which there is a consensus-based need.
- **Assignment of teams** to draft the new or revised standard.
- **Drafting of the standard.**
- **Public posting of the draft standard** to allow all parties to review and provide comments on the draft standard. At this point the need for the standard has been established and comments should focus on aspects of the draft standard itself.
- **Field testing of the draft standard** and measures. The need and extent of field testing shall be determined in the authorization process considering the recommendation of the MRO Compliance Committee. Field testing may be **industryregion**-wide or may consist of one or more lesser scale demonstrations. Field testing should be cost effective and practical, yet sufficient to validate the requirements, measures, measurement processes, and other elements of the standard necessary to implement the Compliance Program. For some standards and their associated measures, field testing may not be appropriate, such as those measures that consist of administrative reports.
- **Formal balloting of the standard** for approval by the Ballot Body.
- **Re-ballot to consider specific comments** by those submitting comments with negative votes.
- **Adoption by the MRO Board of Directors.**
- **An appeals mechanism** as appropriate for the impartial handling of substantive and procedural complaints regarding action or inaction related to the standards process.

The first three steps in the MRO reliability standards development process serve to establish consensus on the need for the standard.

Step 1 - Request to Develop a Standard or Revise an Existing Standard

Requests to develop, revise, or withdraw² a MRO n-OrganizationReliability Standard shall be submitted to the Standards Process Manager by completing a Standard Authorization Request (SAR). The SAR is a description of the subject matter of the new or revised standard along with a proposed implementation plan. The SAR provides sufficiently descriptive detail to clearly define the scope of the standard. The SAR also states the purpose of the standard. A needs statement must be included as part of the SAR which will provide the justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard. Appendix A provides a sample of the information in a SAR. The Standards Process Manager shall maintain this form and make it available electronically at www.midwestreliability.org.

Any person or entity directly or materially affected by an existing standard or the need for a new or revised standard may initiate a SAR.

² Actions in the remaining steps of the standards process apply to proposed new standards, revisions to existing standards, or withdrawal of existing standards, unless explicitly stated otherwise.

The Requester ~~shall~~ submit the SAR to the Standards Process Manager electronically and the Standards Process Manager ~~shall~~ electronically acknowledge receipt of the SAR. The Standards Process Manager ~~shall~~ assist the Requester in developing the SAR and verify that the SAR is in compliance with this manual.

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

- Remand the SAR back to the Standards Process Manager for additional work. In this case, the Standards Process Manager may request additional information for the SAR from the Requester.
- Accept the SAR as a candidate for a new or revised standard. If the Standards Committee accepts a SAR as a candidate for a new or revised standard, it will provide technical support and analysis of comments for that SAR, and assist the Requester and the Standards Process Manager in ~~the~~ remaining steps of the process.
- Reject the SAR. If the Standards Committee rejects a SAR, it will provide a written explanation for rejection to the Requester within 30 days of the rejection decision. If the Standards Committee rejects a SAR, the Requester may file an appeal following the Appeals Process.

The status of SARs shall be tracked electronically. The SAR and its status shall be posted for public viewing at www.midwestreliability.org including any actions or decisions.

Step 2 - Solicit Public Comments on the SAR

Once a SAR has been accepted by the Standards Committee as a candidate for the development of a new or revised standard, the ~~Standards Process Manager shall post the SAR will be posted~~ at the next regular posting interval for the purpose of soliciting public comments. The ~~Standards Process Manager shall also send the SAR will be sent~~ to the North American Energy Standards Board with a request for comments ~~about~~ its impact on NAESB Business Practice Standards. SARs will be posted and publicly noticed at regularly scheduled intervals. Establishment of a regular time for posting of SARs will allow interested parties to know when to expect the next set of SARs.

Comments on the SARs will be accepted for a 30-day period from the notice of posting. Comments will be accepted on-line using an Internet-based application. The Standards Process Manager will provide a copy of the comments to the Requester. Based on the comments, the Requester may decide to submit the SAR for authorization, to withdraw the SAR, or to revise and resubmit it to the Standards Process Manager for another posting in the next available comment period.

The Requester shall give prompt consideration to the written views and objections of all participants. ~~The Requester shall make a~~ ~~An~~ effort to resolve all expressed objections ~~shall be made~~ and ~~each objector shall be advised~~ ~~each objector~~ of the disposition of the objection and the reasons therefore. In addition, ~~the Standards Process Manager shall~~

inform each objector ~~shall be informed~~ that an appeals process exists within the MRO standards process.

While there is no established limit on the number of times a SAR may be posted for comment, the Standards Committee retains the right to reverse its prior decision and reject a SAR if it believes continued revisions are not productive. Once again, the Standards Committee shall notify the Requester in writing of the rejection following the Appeals Process. During the SAR comment process, the Requester may become aware of potential sub-Regional differences related to the proposed standard. To the extent possible, the Requester should make any sub-Regional differences or exceptions ~~should be made~~ a part of the SAR so that, if the SAR is authorized, such variations will be made a part of the draft new or revised standard.

Step 3 - Authorization to Proceed With Drafting of a New or Revised Standard

After the public provides comments on the SAR, the Requester may decide to submit the SAR to the Standards Committee for authorization to draft the standard. The Standards Committee reviews the comments received in response to the SAR and any revisions to the SAR. The Standards Committee, considering the public comments received and their resolution, may then take one of the following actions:

- Authorize the drafting of the proposed standard or revisions to a standard.
- Reject the SAR with a written explanation to the Requester and post that explanation.

If the Standards Committee rejects a SAR, the Requester may file an appeal.

Step 4 – Formation of the Standard Drafting Team

Standard Drafting Team

For each new SAR, the Standards Process Manager shall post a request that interested parties complete a 'Standard Drafting Team Self-nomination' form. Those individuals who complete and submit these self-nomination forms shall be considered for appointment to the associated Standard Drafting Team.

Once a SAR has been authorized by the Standards Committee to proceed to the drafting stage, the Standards Committee shall assign the development of the standard to a Standard Drafting Team. The Standards Process Manager shall recommend a list of candidates for appointment to the team and shall submit the list to the Standards Committee. The Standards Committee may accept the recommendations of the Standards Process Manager or may select other individuals to serve on the Standard Drafting Team. This team shall consist of a small group of people who collectively have the necessary technical expertise and work process skills.

The Standards Process Manager shall assign Standards Process Staff personnel to assist in the drafting of the standard.

Step 5 - Draft New or Revised Standard

The drafting of measures and compliance administration aspects of the standard will be coordinated with the Compliance Committee.

Once the standard has been drafted, the Standards Process Manager ~~shall~~ review the standard for consistency of quality and completeness. The Standards Process Manager ~~shall~~ also ensure the draft standard is within the scope and purpose identified in the SAR. This review ~~shall~~ occur within a 30-day period. ~~Once~~ the Standards Process Manager ~~shall~~ ~~post~~ ~~has completed this review~~, the new or revised standard ~~is posted~~ for public comment ~~once this review is completed~~.

Step 6 - Solicit Public Comments on Draft Standard

Once a draft standard has been verified by the Standards Process Manager to be within the scope and purpose of the SAR and in compliance with this manual, the Standards Process Manager will post the draft standard in the next regular posting interval for the purpose of soliciting public comments. The posting of the draft standard will be linked to the SAR for reference. Comments on the draft standard will be accepted for a 45-day period from the notice of posting. Comments will be accepted on-line using a web-based application along with other electronic means as necessary.

Since the need for the standard was established by authorization of the SAR, comments at this stage should identify specific issues with the draft standard and propose alternative language. The comments may include recommendations to accept or reject the standards and reasons for that recommendation.

Step 7 - Field Testing

The Compliance Committee will determine if field testing of the proposed new or revised standard is needed and submit its recommendation to the Standards Committee for approval. Once approved, the Standards Process Manager will facilitate field testing of the standard to validate the standard, the measurement process, and any other elements of the standard necessary to the administration of the Compliance Program. In some cases, measurement may be an administrative task and no field testing is required at all. In other cases, one or more limited scale demonstrations may be sufficient. Comments may be solicited during the field test period.

Step 8 - Analysis of the Comments and Field Test Results

The Standards Process Manager ~~shall~~ assemble the comments on the draft standard and distribute those comments to the Standard Drafting Team and the Requester. The Standard Drafting Team, assisted by the Requester, shall give prompt consideration to the written views and objections of all participants. ~~The Standard Drafting Team shall make an~~ effort to resolve all expressed objections ~~shall be made~~, and ~~shall advise~~ each objector ~~shall be advised~~ of the disposition of ~~its~~ the objection and the reasons therefore ~~in addition to and shall~~ publicly ~~posting of~~ the responses. In addition, ~~the Standards Process Manager shall inform~~ each objector ~~shall be informed~~ that an appeals process exists within the MRO standards process.

The Standard Drafting Team shall choose one of the following decisions:

- Submit the draft standard for balloting as it stands, along with the comments received and responses to the comments. Based on the comments received and field testing, the Standard Drafting Team may include revisions that are not substantive. A substantive change is one that directly and materially affects the use 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.

- Withdraw the request for a standard.
- Make substantive revisions to the draft standard by returning to Step 5.

Step 9 - Ballot the New or Revised Standard

If the Standard Drafting Team decides a decision is made to submit the draft standard to a vote, it shall provide notice of such to the Ballot Body and electronically post the draft standard, all comments received, and the responses to those comments ~~shall be posted electronically to the Ballot Body.~~

First Ballot

The ballot will be conducted electronically. All members of the Ballot Body shall be eligible to vote on the associated standard. The time window for voting ~~shall~~ be designated when the draft standard is posted to the Ballot Body. In no case ~~shall~~ the voting time window start sooner than 30 days from the notice of the posting to the Ballot Body. Typically, the voting time window will be a period of fifteen days. This provides a total of 45 days from the initial notice until the end of the voting period. Approval of a ~~MRO Organization Reliability~~ Standard or revision to a ~~MRO Reliability Organization~~ Standard requires:

- A quorum, which is established by at least 4 of the Segments submitting a response with an affirmative vote, a negative vote, or an abstention; and
- ~~Each segment vote is determined by the majority of the votes cast in the segment, either affirmative or negative. Abstentions and non-responses will not be counted.~~
- An affirmative vote from at least ~~standard will be approved if~~ two-thirds of segments vote affirmative ~~from all counting only those segments voting.~~ Each segment vote is determined by the majority of the votes cast in the segment, either affirmative or negative. Abstentions and non-responses will not be counted.

Each member of the Ballot Body may vote on one of the following positions:

- Affirmative, with or without comment
- Negative, with or without reasons (the reasons for a negative vote may be given and, if possible, should include specific wording or actions that would resolve the objection)
- Abstain

Balloting examples are provided in Appendix C.

Members of the Ballot Body should submit any comments on the proposed standard during the public comment period. If any comments are received during the ballot period, they shall be addressed in accordance with *Step 8* and included with the re-circulation ballot. The Standards Process Manager shall facilitate the Standard Drafting Team, assisted by the Requester, in preparing a response to negative votes submitted with reasons. The member submitting a vote with reasons will determine if the response provided satisfies those reasons. In addition, ~~the Standards Process Manager shall inform~~ each objector ~~shall be informed~~ that an appeals process exists within the MRO ~~s~~standards process. A negative vote that does not contain a statement of reason does not require a response. If there are no negative votes with reasons from the first ballot,

then the results of the first ballot shall stand. If, however, one or more members submit negative votes with reasons, regardless of whether those reasons are resolved or not, a second ballot shall be conducted.

If a quorum of the Segments is not established, the standard shall be balloted a second time, allowing a 15-business day period for the ballot. Should a quorum not be established with the second ballot, the Standards Process Manager would shall re-survey the Ballot Body to establish interest in participating in a ballot on the standard.

Second Ballot

In the second ballot (also called a “re-circulation ballot”), members of the Ballot Body shall again be presented the proposed standard (unchanged from the first ballot) along with the reasons for negative votes, the responses, and any resolution of the differences. All members of the Ballot Body shall be permitted to reconsider and change their vote from the first ballot. Members of the Ballot Body that did not respond to the first ballot shall be permitted to vote in the second ballot. In the second ballot, votes will be counted by exception only - members on the second ballot may indicate a revision to their original vote, otherwise their vote shall remain the same as in the first ballot. If a second ballot is conducted, the results of the second ballot shall determine the status of the standard, regardless of the outcome of the first ballot.

The voting time window for the second ballot is once again fifteen days. The 30-day posting is not required for the second ballot. Members of the Ballot Body may submit comments in the second ballot but no response to those comments is required.

In the second ballot step no revisions to the standard are permitted, as such revisions would not have been subject to public comment. However, if the Standards Committee determines that revisions proposed during the ballot process would likely provide an opportunity to achieve consensus on the standard, then such revisions may be made and the draft standard posted for public comment again beginning with Step 6 and continuing with subsequent steps.

The Standards Process Manager shall post the final outcome of the ballot process. If the standard is rejected, the process is ended and any further work in this area would require a new SAR. If the standard is approved, the Standards Process Manager shall post the consensus standard will be posted and present it to the MRO Board of Directors for adoption by MRO.

Step 10 - Adoption of the ~~Organization~~ MRO Reliability Standard by the MRO Board of Directors

A MRO Reliability ~~Organization~~ Standard submitted for adoption by the MRO Board of Directors must be publicly posted and noticed at least 30 days prior to action by the MRO Board of Directors. At a regular or special meeting, the MRO Board of Directors shall consider adoption of the proposed ~~Organization~~ MRO Reliability Standard. The MRO Board of Directors shall consider the results of the balloting and dissenting opinions. The MRO Board of Directors shall consider any advice offered by the MRO Standards Committee. The MRO Board of Directors may adopt or reject a standard, but may not modify a proposed ~~Organization~~ MRO Reliability Standard. If the MRO Board of Directors chooses not to adopt a standard, it shall provide its reasons for not doing so. A MRO ~~Organization~~ Reliability Standard that is adopted by the MRO Board of Directors shall become effective on a date designated by the MRO Board of Directors in

accordance with the implementation plan. The Standards Process Manager shall publicly post the standard ~~will be publicly posted~~, showing the final status.

Step 11 - Implementation of ~~Organization~~ the MRO Reliability Standard

Once a MRO ~~Organization~~ Reliability Standard is adopted, all persons and organizations subject to the Bylaws of MRO are required to comply with the standard in accordance with those Bylaws and other applicable agreements. The adopted ~~Organization~~ MRO Reliability Standard will then be monitored by the MRO Compliance Committee to oversee the implementation and assess the effectiveness of the ~~Organization~~ MRO Reliability Standard. The MRO Board of Directors has established a separate Compliance Program to measure compliance with the MRO Reliability Standards and to administer sanctions as appropriate. After adoption of a MRO ~~Organization~~ Reliability Standard, the Standards Process Manager shall forward the standard ~~will be forwarded~~ to the Compliance Program Manager for implementation.

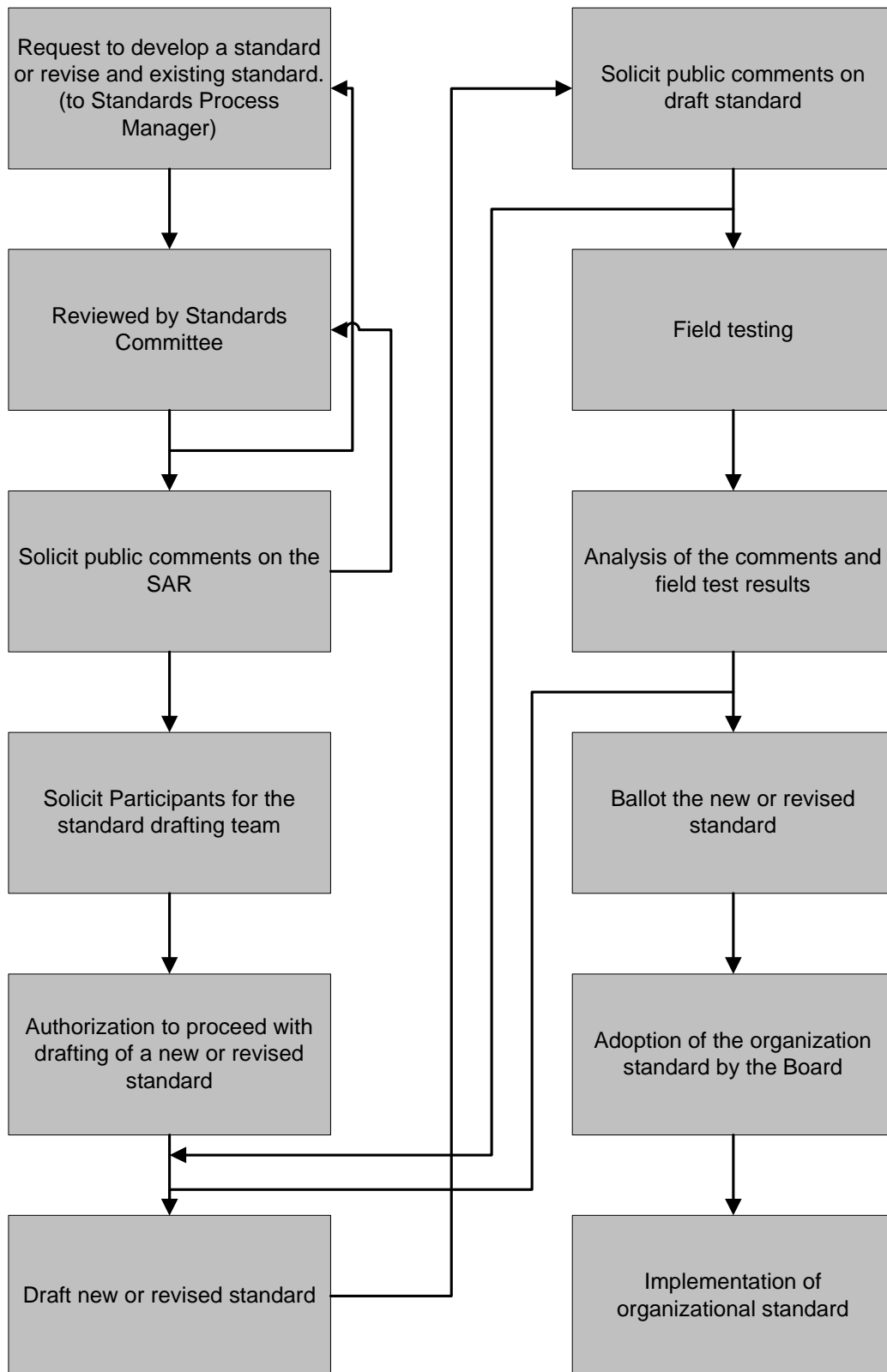
Filing of Organization Standards with Regulatory Agencies

In accordance with the Bylaws, the Standards Process Manager shall file the adopted MRO Reliability ~~Organization~~ Standards ~~will be filed~~ with applicable regulatory agencies in the United States and Canada as required to implement the MRO Compliance Program.

Consideration for Submittal as a Regional Difference

The Standards Committee ~~sh~~will assess the ~~Organizational~~ MRO Reliability Standard, once adopted, for submittal to the NERC Reliability Standards process as a Regional Difference. If the SC determines that the ~~Organizational~~ MRO Reliability Standard warrants inclusion as a NERC Reliability Standard, it ~~will~~ shall recommend that the MRO Board of Directors submit it to NERC as a Regional Difference.

Process Diagram



Interpretations of MRO Reliability Standards

All persons who are directly and materially affected by the reliability of MRO bulk electric systems shall be permitted to request an interpretation of a MRO Reliability Standard. The person requesting an interpretation shall send a request to the Standards Process Manager 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 shall assemble a team with the relevant expertise to address the clarification.

As soon as practical (but not more than 45 days), the team shall draft a written interpretation to the standard addressing the issues raised. The Standards Process Manager shall post the interpretation and that interpretation shall 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.

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 an Organizationa MRO Reliability Standard shall have the right to appeal. This appeals process applies only to the MRO Organization-Reliability Standards process as defined in this manual.

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 shall submit to the Standards Process Manager a complaint in writing that describes the substantive or procedural action or inaction associated with a MRO Organization-Reliability Standard or the MRO Reliability Standards process. The appellant shall describe in the complaint the actual or potential adverse impact to the appellant. Assisted by any necessary staff and committee resources, the Standards Process Manager 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 shall be made a part of the public record associated with the standard.

Level 2 Appeal

If, after the Level 1 Appeal the appellant remains unsatisfied with the resolution, as indicated ~~such by the appellant~~ in writing to the Standards Process Manager, the Standards Process Manager shall convene a Level 2 Appeals Panel. This panel shall consist of five panel members total appointed by the MRO Board of Directors. In all cases, Level 2 Appeals Panel members shall have no direct affiliation with the participants in the appeal.

The Standards Process Manager 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 ~~to 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 Standards Committee 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 ~~an Organizationa~~ MRO Reliability Standard, as these responsibilities remain with the standard's Ballot Body and MRO Board of Directors respectively. The Standards Process Manager shall publicly post 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 MRO Board of Directors for consideration at the time the MRO Board of Directors decides whether to adopt a particular ~~Organization~~ MRO 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 by the Ballot Body on the MRO Reliability ~~Organization~~ Standard in question.

Maintenance of ~~Organization~~ MRO Reliability Standards and Process

Process Revisions

A request to change this MRO Reliability ~~Organization~~ Standards Process Manual shall begin with the preparation of a SAR and be handled using the same procedure as a request to revise ~~an Organizationa~~ MRO Reliability Standard, with the exception that a single ballot without regard to negative comments of the Ballot Body ~~sh~~ will be conducted and the results of that ballot will be binding. Once approved by the Ballot Body, any proposed revisions to this manual would go to the Board of Directors for adoption. The manual may be revised only under authority of the MRO Board of Directors. The MRO Board of Directors may make changes to the Industry Segments referenced in Appendix B. These changes shall be carried over to this manual without the need to prepare a SAR.

Five-Year Review

Each ~~Organization-MRO Reliability~~ Standard shall be reviewed at least once every five years from the effective date of the standard or the latest revision to the standard, whichever is the later. The review process shall be conducted by soliciting comments from the stakeholders. If no changes are warranted, the SC shall recommend to the Board that the Standard be reaffirmed. If the review indicates a need to revise or withdraw the standard, a SAR shall be prepared and submitted ~~by the SC or any other stakeholder~~ in accordance with the standards process. The Standards Process Manager shall be responsible for administration of the five-year review of ~~Organization-MRO Reliability~~ Standards.

On-line Standards Information System

The Standards Process Manager shall be responsible for maintaining an electronic database of information regarding currently proposed and currently in effect ~~Organization-MRO Reliability~~ Standards. This information shall include current standards in effect, proposed revisions to standards, and proposed new standards. This information shall provide a record, for at a minimum the previous five years, of the review and approval process for each ~~MRO Reliability~~~~Organization~~ Standard, including public comments received during the development and approval process. This information shall be available through public Internet access at www.midwestreliability.org.

Archived Standards Information

The Standards Process Manager shall be responsible for maintaining a historical record of ~~Organization-MRO Reliability~~ Standards information that is no longer maintained on-line. For example, ~~this requirement would apply to~~ standards that expired or were replaced ~~may be and subsequently could be~~ removed from the on-line system. Also, ~~the Standards Process Manager could place~~ SARs that are no longer being considered in the standards process ~~may be placed~~ in the archived records. Archived information shall be retained indefinitely as practical, but in no case less than five years or one complete standard ~~review~~ cycle from the date on which the standard was no longer in effect. Archived records of standards information shall be available electronically within 30 days following the receipt by the Standards Process Manager of a written request.

Numbering System

The Standards Process Manager shall establish, ~~and maintain,~~ ~~and electronically post~~ a system of identification numbers that allow ~~Organization-MRO Reliability~~ Standards to be categorized and easily referenced.

Supporting Documents

The following ~~table identifies~~ documents ~~that~~ may be developed to support ~~an~~ ~~organizationa~~ ~~MRO Reliability~~ Standard. These documents may explain or facilitate implementation of standards but do not themselves contain mandatory requirements subject to compliance review. Any requirements that are mandatory ~~shall~~~~must~~ be incorporated into the standard. For example, a procedure that must be followed as written must be incorporated into ~~an a MRO Reliability organization~~ Standard. If the procedure defines one way, but not necessarily the only way, to implement a standard it is more appropriately a reference.

Type of Document	Description	Approval
Standard Reference	Descriptive, explanatory information to support the understanding and interpretation of a MRO Organization-Reliability Standard.	Standards Committee
Standard Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of a MRO Organization-Reliability Standard.	Standards Committee
Procedure	Step-wise instructions defining a particular process or operation. Procedures may support the implementation of an Organization-a MRO Reliability Standard or satisfy another purpose consistent with the Organization-Reliability and Market Interface Principles.	Standards Committee
Practice	A convention of behavior. Practices may support the implementation of an Organization-a MRO Reliability Standard or satisfy another purpose consistent with the Reliability and Market Interface Principles.	Standards Committee
Training Reference	Training materials that may support the implementation of an Organization-a MRO Reliability Standard or satisfy another purpose consistent with the Reliability and Market Interface Principles.	Standards Committee

Type of Document	Description	Approval
Technical Reference	Descriptive, technical information or analysis. A technical reference may support the implementation of an Organizationa MRO Reliability Standard or satisfy another purpose consistent with the Reliability and Market Interface Principles.	Standards Committee
White Paper	An informal paper stating a position or concept. A white paper may be used to propose preliminary concepts for a standard or one of the documents above.	Standards Committee Approves for Publication with No Implied Approval of the Concepts or Positions in the White Paper.

Appendix A – Information in a Standard Authorization Request

The table below provides a **template for information to be included** ~~representative example~~ **7 of information in** a Standard Authorization Request. The Standards Process Manager shall be responsible for implementing and maintaining this form as needed to support the information requirements of the standards process.

Standard Authorization Request Form

MRO will complete

Title of Proposed Standard
Request Date

ID
Authorized for Posting
Authorized for Development

SAR Requestor Information

Name	SAR 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
E-mail	<input type="checkbox"/>	Urgent Action

Purpose (Provide one or two sentences.)

--

Industry Need (Provide one or two sentences.)

--

Brief Description (A few sentences or a paragraph.)

Reliability Functions

<i>The Standard will Apply to the Following Functions</i> (Check box for each one that applies.)		
	Reliability Authority	Ensures the reliability of the bulk transmission system within its Reliability Authority area. This is the highest reliability authority.
	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within its metered boundary and supports system frequency in real time
	Interchange Authority	Authorizes valid and balanced Interchange Schedules
	Planning Authority	Plans the bulk electric system
	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
	Transmission Owner	Owns transmission facilities
	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders
	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer
	Generator	Owns and operates generation unit(s) or runs a market for generation products that performs the functions of supplying energy and Interconnected Operations Services
	Purchasing-Selling Entity	The function of purchasing or selling energy, capacity and all necessary Interconnected Operations Services as required
	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user

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

Related SARs

SAR ID	Explanation

Implementation Plan

<p>Description <i>(Provide plans for the implementation of the proposed standard, including any known systems or training requirements.)</i></p>
<p>Proposed Implementation days after Board of Directors adoption or on (date):</p>

Assignments

	<i>Assignment</i>
Team Members	
MRO Staff	

Appendix B – Development of the Ballot Body Registration Procedures

The Ballot Body comprises all organizations and entities that:

1. Qualify for one of the segments, and
2. Are registered with MRO as ballot participants in the voting on standards, and
3. Are current with any designated fees.

Each participant, when initially registering to join the Ballot Body, and annually thereafter, will self-select to belong to **only** one of the segments described below.

The MRO General Manager **sh** will review all applications for joining the Ballot Body, and make a determination of whether the self-selection satisfies at least one of the guidelines to belong to that segment. The entity will then be “credentialed” to participate as a voting member of that segment. The Standards Committee will decide disputes, with an appeal to the Board of Trustees.

All registrations **sh** will be done electronically.

Segment Qualification Guidelines

The segment qualification guidelines are inclusive; i.e., any entity with a legitimate interest in the electric industry that can meet any one of the guidelines for a segment is entitled to belong to and vote in that segment.

The general guidelines for all segments are:

- Corporations or organizations with integrated operations or with affiliates that qualify to belong to more than one segment (e.g., Transmission Owners and Load Serving Entities) may belong to each of the segments in which they qualify, provided that each segment constitutes a separate membership and is represented by a different representative.
- Corporations, organizations, and entities may participate freely in all subgroups.
- After their initial selection, registered participants may apply to change segments annually, according to a defined schedule.
- The qualification guidelines and rules for joining segments will be reviewed periodically to ensure that the process continues to be fair, open, balanced, and inclusive. Public input **sh** will be solicited in the review of these guidelines.
- Since all balloting of standards will be done electronically, any registered participant may designate an agent or proxy to vote on its behalf. There are no limits on how many proxies an agent may hold. However, MRO must have in its possession, either in writing or by e-mail, documentation that the voting right by proxy has been transferred from the registered participant to the agent.

Segments

Segment 1. Transmission Owners

- a. Any entity within the MRO region that owns or controls at least 200 circuit miles of integrated transmission facilities, or has an Open Access Transmission Tariff or equivalent on file with a regulatory authority.
- b. Transmission owners within the MRO region that have placed their transmission under the operational control of an RTO.
- c. Independent transmission companies or organizations, merchant transmission developers, and transcos that are in the MRO region and are not RTOs.
- d. Excludes RTOs, RCs and ISOs (that are eligible to belong to Segment 2).

Segment 2. Regional Transmission Organizations (RTOs), Independent System Operators (ISOs), and Reliability Coordinators

- ea. Authorized by appropriate regulator to operate as RTO or ISO within or adjacent to the MRO.
- eb. Reliability Coordinators within or adjacent to the MRO.
- ec. In cases where the RTO or ISO and the RC have exactly the same geographic boundary, both may belong to this segment as long as they are separate entities.

Segment 3. Load-Serving Entities (LSEs)

- a. Entities within the MRO region serving end-use customers under a regulated tariff, a contract governed by a regulatory tariff, or other legal obligation to serve.
- b. A member within the MRO region of a G&T cooperative or a joint-action agency is permitted to designate the G&T or joint-action agency to represent it in this segment; such designation does not preclude the G&T or joint-action agency from participation and voting in another segment representing its direct interests.

Segment 4. Electric Generators

- a. Affiliated and independent generators within the MRO region.
- b. A corporation that sets up separate corporate entities for each one or two generating plants within the MRO region in which it is involved may only have one vote in this segment regardless of how many single-plant or two-plant corporations the parent corporation has established or is involved in.

Segment 5. Electricity Brokers, Aggregators, and Marketers

- a. Entities serving end-use customers under a power marketing agreement or other authorization not classified as a regulated tariff.
- b. An entity that buys, sells, or brokers energy and related services for resale in wholesale or retail markets, whether a non-jurisdictional entity operating within its charter or an entity licensed by a jurisdictional regulator.
- c. G&T cooperatives and joint-action agencies that perform an electricity broker, aggregator, or marketer function are permitted to belong to this segment.

Segment 6. Electricity End Users

- a. Service delivery taken within the MRO region that is not purchased for resale.
- b. Agents, associations, consumer advocates can represent groups of end users or TDUs.

Segment 7. Federal, State, and Provincial Regulatory or other Government Entities

- a. Does not include Federal PMAs or TVA.
- b. May include PUCs.

Appendix C – Balloting Examples

The MRO voting mechanism differs from NERC in that a quorum is established if at least four Segments have submitted an affirmative, negative or abstention vote. A majority vote within a Segment is determined based on the affirmative and negative votes. A Standard is approved if **the majority-at least two-thirds** of the voting Segments have an affirmative vote. The following are examples of potential voting scenarios. The yellow areas indicate where a Segment did not cast a vote. The green areas with **bold** numbers represent majority votes within a Segment.

Example Ballot Body

Segment	Number Registered in the Ballot Body
1. Transmission Owners	15
2. RTO's, ISO's, & Reliability Coordinators	4
3. Load Serving Entities	16
4. Electric Generators	21
5. Electricity Brokers, Aggregators, & Marketers	7
6. Electricity End Users	6
7. Federal, State, & Provincial Regulatory or other Government Entities	8
Totals	77

Example 1 – A quorum has been established with 5 of the 7 Segments having registered an affirmative, negative, or an abstention vote. Two-thirds of the Segments (4 of 5 voting Segments) have voted to approve the Standard. The Standard is approved.

Segment	Ballot Pool	Votes			
		Affirmative Votes	Negative Votes	Abstain Votes	No Ballot
1. Transmission Owners	15	10	2	1	2
2. RTO's, ISO's, & Reliability Coordinators	4	3	0	0	1
3. Load Serving Entities	16	3	6	2	5
4. Electric Generators	21	13	0	1	7
5. Electricity Brokers, Aggregators, & Marketers	7	0	0	0	7
6. Electricity End Users	6	0	0	0	6
7. Federal, State, & Provincial Regulatory or other Government Entities	8	3	0	1	4
Totals	77				

Example 2 – A quorum has been established with 4 of the 7 Segments having registered an affirmative, negative, or an abstention vote. Less than two-thirds of the Segments (1 of 4 voting Segments) have voted to approve the Standard. The Standard is NOT approved.

Segment	Ballot Pool	Votes			
		Affirmative Votes	Negative Votes	Abstain Votes	No Ballot
1. Transmission Owners	15	10	2	1	2
2. RTO's, ISO's, & Reliability Coordinators	4	1	2	0	1
3. Load Serving Entities	16	3	6	2	5
4. Electric Generators	21	0	0	0	21
5. Electricity Brokers, Aggregators, & Marketers	7	0	0	0	7
6. Electricity End Users	6	0	0	0	6
7. Federal, State, & Provincial Regulatory or other Government Entities	8	0	3	1	4
Totals	77				

Example 3 – A quorum has not been established because only 3 of the 7 Segments have registered an affirmative, negative, or an abstention vote. The Standard is NOT approved because of a lack of a quorum.

Segment	Ballot Pool	Votes			
		Affirmative Votes	Negative Votes	Abstain Votes	No Ballot
1. Transmission Owners	15	10	2	1	2
2. RTO's, ISO's, & Reliability Coordinators	4	4	0	0	0
3. Load Serving Entities	16	3	6	2	5
4. Electric Generators	21	0	0	0	21
5. Electricity Brokers, Aggregators, & Marketers	7	0	0	0	7
6. Electricity End Users	6	0	0	0	6
7. Federal, State, & Provincial Regulatory or other Government Entities	8	0	0	0	8
Totals	77				

Example 4 – A quorum has been established with 6 of the 7 Segments having registered an affirmative, negative, or an abstention vote. The Standard is NOT approved because the two-thirds of the Segments did not cast an affirmative vote. Segment 2's vote is considered negative because a majority did not cast an affirmative vote.

Segment	Ballot Pool	Votes			
		Affirmative Votes	Negative Votes	Abstain Votes	No Ballot
1. Transmission Owners	15	10	2	1	2
2. RTO's, ISO's, & Reliability Coordinators	4	2	2	0	0
3. Load Serving Entities	16	3	6	2	5
4. Electric Generators	21	10	9	1	1
5. Electricity Brokers, Aggregators, & Marketers	7	4	3	0	0
6. Electricity End Users	6	0	0	0	6
7. Federal, State, & Provincial Regulatory or other Government Entities	8	2	3	0	3
Totals	77				