

Agenda Book Tab 1
05/26/05

MEETING AGENDA
MIDWEST RELIABILITY ORGANIZATION
STANDARDS COMMITTEE

St Paul Conference Center – St. Paul, MN
May 26th, 2005 – 10:00am

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 - b. Nov 10, 2005 St Paul Conference Center 10:00AM
15. Adjourn

**Agenda Book Tab 2
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**DRAFT MINUTES
MIDWEST RELIABILITY ORGANIZATION
STANDARDS COMMITTEE**

St. Paul, MN

February 24, 2005 – 10:00am

1. Welcome and Remarks from Chairman

Chair Larry Larson called the meeting to order at 10:00 a.m. The following Committee Members and Guests were present:

Members:

Larry Larson, OTP, Chair
Dave Kempf, GRE
Al Boesch, NPPD
Wayne Guttormson, SPC
Tim Noeldner, WPPI

Ken Goldsmith, ALT (Alt for Dave Acton)
Dan Schoenecker, MAPP COR, Secretary
Gerry Steffens, RPU
Darrick Moe, WAPA (Alt. for Lloyd Linke)

Members Not Present:

Dave Acton, ALT
Lloyd Linke, WAPA

Peter Burke, ATCO

Guests:

Bobbie Welch, ATC
Ron Mazur, MH
Joe Knight, MRO

Tom Mielnik, MEC
Shel Berg, MRO
Babs Moses, MRO

The designation of an alternate was reviewed. If a member is unable to attend a meeting, that member should advise the chairman, in advance of the meeting, that a named alternate will attend in his place. Mr. Schoenecker will check on the procedure to designate a permanent alternate.

a. Agenda Additions

- Al Boesch to report on MISO Market readiness review.
- Recommendation to Board adoption of Version O Operational Standards.
- Regional Standards – Discuss process for MRO Standards for this year.
- Large Regional Reliability Council Standards Group representation.
- Review list of tasks to be transferred to the MRO Committees.

b. Comments from the Chair Updates from MRO Board

- Gerry Steffens was welcomed as an official member of the Standards Committee.
- It was recommended that current NERC Representatives continue for 2005.
- A presentation on NERC Standards is planned for next MRO Board meeting.

c. Approval of Minutes - November 29, 2004 meeting

The minutes were approved with the correction of the spelling of Tom's last name to "Mielnik."

d. Approval of Minutes - December 20, 2004 conference call

The minutes were approved as written.

Action Items: The committee decided that posting the minutes on the web site was sufficient and emailing a copy is not necessary.

The web site needs to be updated with Mr. Steffen's addition to the committee.

Mr. Schoenecker was asked to post the MAPP Standards on the MRO web site with a note referencing the MRO By-Laws.

2. NERC reports

a. Large Regional Reliability Council Update – Tab #19

Mr. Schoenecker provided an update on the Large Regional Reliability Council.

b. CCC

Mr. Steffens reported that he participated in an ECAR audit. There has been no activity since the last meeting. The CCC meets four times a year. They will be bringing a certification process for adoption by the MRO later this year.

c. Standards Evaluation

Mr. Mazur reported that NERC reorganized several committees last year. One issue with this subcommittee is that it has only 14 sectors represented. Most NERC subcommittees have 26 voting sectors. If anyone is interested in joining, they should go to the NERC web site, fill out the form, and let the NERC staff representative know. The next meeting is on March 22 in Dallas. The goal is to seek comments from a wide industry perspective, look for gaps in the standards, and propose related SARs.

Action Item: A detailed scope of activities will be sent along with the draft minutes of this meeting.

Mr. Ron Mazur is to be added to the exploder list for NSRS Comments. He will also continue to come to the Standards meeting or attend by phone.

3. NERC Standards Review Subcommittee

a. Subcommittee report

Mr. Moe reported that the process has started and is working well. There was some discussion on whether comments on NERC Standards needed to have all member MRO names listed. Staff will either list all members or identify the comments as coming from the members of the MRO. Any member that does not support the comments will be identified as well.

b. Approve process and name change

Mr. Moe presented the NERC Standards commenting process and the new name for the subcommittee. The committee accepted the process and the subcommittee name (NERC Standards Review Subcommittee).

c. Discuss commenting on other items, e.g. DOE, FERC, NAESB

Mr. Larson stated that the priority is getting comments on the NERC items, but on occasion there would be a need for the MRO to comment on other items as well.

4. NERC – Version 0 Standards for the MRO

a. Recommendation for adoption as MRO Standards

Upon motion duly made by Gerry Steffens, RPU, the Standards Committee unanimously recommends that the MRO Board of Directors adopt the Version 0 NERC Standards, as approved by the Board Of Trustees on February 8, 2005, as MRO Operational Standards.
The committee discussed the fact that Version 0 does not have consistent levels of non-compliance and that will be corrected at a later date. Also, many standards do not yet have measures.

b. Mapping

Mr. Schoenecker directed the committee to Tabs #17 and 18. These documents map the MAPP planning standards and operating policies to the NERC Version 0 Standards. The documents were discussed and an action item was formed.

Action Item: Mr. Schoenecker is to post this mapping on the MRO web site under Standards along with a note of explanation.

5. MRO Ballot pool

MRO staff is attempting to work with NERC to partner on a ballot registration and voting process. NERC has not been very responsive to date.

6. What regional standards are needed?

a. Process for initial MRO standards

When MAIN or MAPP members come into the MRO their region specific standards apply to them until they are superseded by MRO standards. By the end of the year, the MRO would like to have organizational standards that apply to both former MAPP and MAIN regions. All MRO members must adhere to NERC standards.

Action Items: Mr. Larson will inform the Board that a SAR Development Team is being created to produce a SAR to develop these initial MRO Standards and Augmentations.

Mr. Schoenecker will solicit nominations for a drafting team of 4 - 5 members each from the planning and operating sides of both MAPP and MAIN.

A teleconference is scheduled for Tuesday, March 1 at 4:00 pm to discuss the SAR development. Mr. Mielnik-MEC (Planning) and Mr. Goldsmith-IES have volunteered to assist Mr. Schoenecker in this effort.

Mr. Boesch will go through Version O Standards and identify where a policy or procedure needs to be created. This document will come to the Standards Committee to review.

A conference call of the MROSC is planned for March 8, at 8:30 am CST to approve the SAR.

7. Proposed MRO SARs

a. Numbering and tracking MRO SARs

Mr. Schoenecker proposed a numbering and tracking format for MRO SARs. It appears in Tab 6 in the book of handouts.

Discussion on the following proposed SARs was postponed for now:

- b. Resource Adequacy**
- c. Operator Training**
- d. Disturbance Reporting**
- e. Contingency Reserves Requirement**
- f. Operation during contingencies**
- g. Operation during multiple contingencies -Tom M**
- h. Planning Standard 1A – MRO Augmentations**

8. Presentation to Board on standards

Mr. Berg will present standards information, from a compliance viewpoint, to the MRO Board in March.

9. Standards Process document review – Tim

The MRO Standards Process Manual is being compared to the NERC document.

Action Item: This document will be amended to be like the NERC document. The committee is to take it home, review it, and bring it back for discussion at the next meeting.

Mr. Noeldner will send a copy to Mr. Goldsmith.

Mrs. Moses will add Mr. Goldsmith and Mr. Mielnik to exploder list.

10. Transition Items

The committee reviewed a task list prepared by former MAPP Planning and Operating Committees to assure all tasks or functions found a home in the MRO. The lists are attached and the following assignments were agreed on.

- a. Planning Subcommittee Functions to be transferred to MRO:**

- 3a, The RAC would draft this
- 3f, Standards Committee
- 4 – Standards Committee
- 5 – Standards Committee
- Second Page
- 2 – Standards Committee
- 3 - Standards Committee: the new deadline is April 1 for the standard to go into effect. Standards Committee doesn't need to do anything by end of this year. There is an MRO augmentation and it can be incorporated into the process
- b. Operating Subcommittee Functions to be transferred to MRO
 - 5 RAC would handle seasonal assessments

11. MISO Review Waivers

Mr. Boesch participated in a review of the MISO Market related to waivers from Standards. .
Basically, MISO is meeting all requirements of waivers. There were no problems so no further action is need.

12. Review Task list

The committee updated the task list

Action: The task list is to be posted to the web site.

13. Next meeting

a. Date, time and location

March 8, 8:30 am CST, Teleconference. Mr. Schoenecker will send out a notice with information for this meeting.

Having no further business, Chairman Larson adjourned the meeting at 3:17 pm.

Prepared and Submitted by:
Babs Moses

Reviewed by Dan Schoenecker, Secretary
MRO Standards Committee

**NERC Standards Evaluation Subcommittee
Report to the MRO Standards Committee**

Purpose of the NERC SES

Provide a forum for education, the sharing of views, and informed debate of reliability standards related to planning. Also, assess the effectiveness of new reliability standards to ensure that they meet planning and analysis needs. Develop and submit Standard Authorization Requests (SARs) when it is deemed that a planning or analysis reliability requirement is not being addressed.

SES Roster

William O. Bojorquez (Chairman)

Michael C. Raezer (Vice Chairman)

Richard J. Kafka (MAAC)

Edward C. Pfeiffer (MAIN)

R.W. (Ron) Mazur (MAPP representative)

Ed Kremzier (NPCC)

Doug McLaughlin (IOU)

Sergio Garza (State/Municipal)

Daniel W. Griffiths (Customer)

R. Scott Henry (SERC)

Karl Tammar (ISO/RTO)

Scott M. Helyer (IPP)

Michel Penstone (Canada)

John R. Twitchell (NERC staff)

The SES does not have a full slate of NERC sector representatives.

SES Actions to Date

The SES has met via teleconference on November 1, 2004, December 3, 2004, January 7, 2005 and February 1, 2005.

A face-to face meeting will be held in Dallas, Texas on February 22, 2005.

To date, the SES has:

1. Reviewed its scope and developed a Work Plan.
2. Reviewed Standard 500: Assess Transmission Future Needs and Develop Transmission Plans and identified issues for future SES discussion.
3. Reviewed Standard 1900: Transmission System Vegetation Management and prepared comments for filing.

Coordination with MRO Standards Committee

Direction is requested from the MRO SC as to how the MAPP representative on the SES should solicit MRO SC input into on issues being discussed by the NERC SES.

Scope of SES Activities

- a. Provide a forum for education, the sharing of views, and informed debate of reliability standards related to planning.
- b. Review and comment on NERC-proposed Standard Authorization Requests and Reliability Standards as to their potential impact on electric system planning and analysis methodologies and practices.
- c. Review and comment on North American Energy Standards Board (NAESB) proposed wholesale electricity business practice standards as to their potential impact on electric system planning and analysis methodologies and practices.
- d. Assess and report on the reliability impacts of planning and adequacy standards proposed or set by Regional Councils, regional transmission organizations, and other entities.
- e. Recommend guidelines or procedures to help fully integrate the reliability standards developed through the NERC Standards Development Process into the planning and analysis activities of electric industry participants.
- f. Review the business practice standards developed through the NAESB and determine how to integrate the impacts of these standards into the planning and analysis activities of electric industry participants.
- g. Assess the effectiveness of the NERC reliability standards and NAESB business practice standards to ensure that a consistent set of industry planning and analysis standards are maintained.
- h. Develop and submit Standard Authorization Requests when it is determined that a planning or analysis reliability requirement is not being addressed.
- i. Recommend industry experts for the development of SARs and reliability standards related to planning.
- j. Facilitate the development of reference documents and perform other activities to support implementation of the reliability standards related to planning.
- k. Advise the Compliance and Certification Committee on matters related to bulk electric system planning and reliability (adequacy).

**Agenda Book Tab 3
05/26/05**

**DRAFT MINUTES
MIDWEST RELIABILITY ORGANIZATION
STANDARDS COMMITTEE
Conference Call
March 8, 2005 – 8:30 AM**

1. Call to order

Chair Larry Larson called the meeting to order at 8:30 a.m. The following Committee Members and Guests were on the call:

Members:

Larry Larson, OTP, Chair
Dave Acton, ALT
Peter Burke, ATCo
Wayne Guttormson, SPC
Gerry Steffens, RPU

Lloyd Linke, WAPA
Tim Noeldner, WPPI
Al Boesch, NPPD
Dan Schoenecker, MAPP COR, Secretary

Members Not Present:

Dave Kempf, GRE

Others on the Call:

Ken Goldsmith, ALT
Tom Mielnik, MEC

a. Determination of Quorum

Chair Larson determined a quorum was present and thanked the members for being available for the call.

b. Meeting purpose

The purpose of the meeting was to approve a SAR to develop MRO standards from the current MAPP and MAIN standards and augmentations of NERC Standards.

14. Proposed MRO SAR

- a. There was some general discussion about the purpose of the SAR. Mr. Schoenecker was asked to add a number to the SAR per the MRO guidelines. There was a motion and second and the SAR was unanimously approved by the committee.
- b. Mr. Schoenecker then explained that an area would be created on the MRO website for standards development information. MRO staff is also developing systems to accommodate the standards commenting process.
- c. It was agreed that the SAR would be posted on the MRO website and would be sent to the MRO and MEMA exploder lists and to the NAESB.

15. Standard Drafting Team

- a. The committee reviewed the proposed Drafting Team Self Nomination form. It was suggested that the regional identification be removed and the segment identification be changed to reflect the MRO sector identification.
- b. The form would be sent to the same exploders as the SAR was sent to.

16. SAR commenting period

- a. The MRO process calls for a 30 day commenting period for a SAR.
- b. It was moved and seconded to recommend that the MRO Board waive the 30 day comment period for the SAR. The motion was unanimously approved.

- c. It was agreed that in the future the committee would discuss the ongoing need for a SAR commenting period

Prepared and Submitted by:
Dan Schoenecker, Secretary
MRO Standards Committee

**Agenda Book Tab 4
May 26, 2005**

**DRAFT MINUTES
MIDWEST RELIABILITY ORGANIZATION
STANDARDS COMMITTEE**

Conference Call – April 22, 2005
10:00 a.m. – 12:00 p.m. CDT

1. Call to Order

Chair Larry Larson called the Standards Committee conference call meeting to order at 10:00 a.m. Larry Larson called roll and determined that a quorum was present. The following members and guests were present for all or part of the call.

Members:

Dave Acton, ALT
Peter Burke, ATCo
Dave Kempf, GRE
Al Boesch, NPPD
Larry Larson, OTP, Chair

Wayne Guttormson, SPC
Lloyd Linke, WAPA, Vice Chair
Tim Noeldner, WPPI
Ben Deutsch, MRO, Secretary
Joe Knight, MRO, Alternate
Secretary

Gerry Steffens, RPU

Guests:

Larry Brusseau, MRO

Jenny Rowan, MRO

2. Large Regional Reliability Council Update

Chair Larson gave an update on the LRRC efforts. He stated that the next Standards meeting on May 6 would review the function of the NERC standards within each region. The group will form a merged set of what the LRRC needs to have completed to meet the Version 0 standards.

Standards Process

Mr. Brusseau discussed the two subgroups to the Standards Committee and will forward the minutes from those groups to the SC members. The Day 1 group is attended by Brian Glover, MRO, and is mainly concerned with operating reserves, reserves sharing, and emergency procedures for Day 1 operations, which begin on January 1, 2006. The Day 2 group has not yet been formed, but will work on procedures for operations beginning January 1, 2007. The MAIN standards group is currently reviewing how to merge the Version 0 standards with the regional standards. Brian Glover, MRO, is the Composite System Reliability Working Group secretary (CSRWG) and he and Pete Koegel (GRSC) will work on the MAPP portion of the standards.

3. MRO Standards Drafting Team Selection

Chair Larson gave a summary on the formation of the MRO Standards Drafting Team. The subcommittee members have received all the nomination forms and reviewed the slate. The members agreed that the slate was good, but that more representation by MAIN is needed. Secretary Deutsch stated that he expects the group will form, devise a plan, and have a tight timeline for completing their work. He doesn't anticipate many face to face meetings.

Nominees:

Delyn Helm, GRE

Tom Mielnik, MEC
David Jacobson, MH
James Haigh, WAPA
Leonard Januzik, ATCo
Al Boesch, NPPD

Chair Larson presented a motion to approve the slate.

Motion

Mr. Linke moved that the Standards Committee approve the slate of nominees to the Standards Drafting Team, with Ms. Helm's and Mr. Boesch's participation contingent upon their acceptance of the nomination. The motion was seconded by Mr. Steffens and approved by voice vote.

Mr. Jacobson and Mr. Burke will attempt to recruit more MAIN representatives to participate on the Standards Drafting Team. Mr. Knight will speak with the MRO Board members for their input on recruitment efforts.

The Standards Drafting Team will likely begin their work with an initial meeting next week.

4. Adjourn

A motion was made to adjourn the conference call at 9:40 a.m. The motion was seconded and approved by voice vote.

Prepared by:
Jenny Rowan, Midwest Reliability Organization
Administrative Assistant

Reviewed and Submitted by:
Ben G. Deutsch, Secretary
Standards Committee

Status of MRO Commenting

<u>SAR/STD/Plans for Comment</u>	<u>Number</u>	<u>Point of Contact</u>	<u>Posting Dates</u>	<u>Comments Due to NSRS</u>	<u>CC to Discuss Comments</u>	<u>Comments Due to MRO</u>	<u>Comments Due from MRO</u>	<u>Comments Due to SC Chair</u>	<u>Comments Due to NERC</u>	<u>Status</u>	<u>Notes</u>
IAFTF Report			12/9/04 - 2/1/05								Comments not being generated due to time constraints
Transmission Vegetation Management			1/3/05 - 2/17/05								Comments not being generated due to time constraints
Transmission Operator Certification			1/3/05 - 2/18/05								Comments not being generated due to time constraints
Template for Developing a NERC Regional Operating Reliability Plan			1/6/05 - 2/6/05								Comments not being generated due to time constraints
Template for Developing a Reliability Coordinator Reliability Plan			1/6/05 - 2/6/05								Comments not being generated due to time constraints
Template for Developing a Balancing Authority Integrated Operational Plan			1/6/05 - 2/6/05								Comments not being generated due to time constraints
Frequency Response	SAR	Terry Bilke	1/17/05 - 2/17/05	1/27/2005	2/1/2005	2/3/2005	2/10/2005	2/15/05	2/17/05	Complete	
Cyber Security Standard (Permanent)	CIP 002 - 009	Darrick Moe	1/17/05 - 2/17/05	1/27/2005	2/1/2005	2/3/2005	2/10/2005	2/15/05	2/17/05	Complete	
Nuclear Offsite Power Supply Reliability	SAR	Al Boesch	4/1/05 - 5/2/05	4/11/2005	4/14/2005	4/18/2005	4/25/2005	4/28/05	5/2/05		
Resource Adequacy	SAR	Robert Coish	2/18/05 - 3/21/05	3/4/2005	3/8/2005	3/9/2005	3/16/2005	3/18/05	3/21/05	Complete	
Phase III-IV Planning Standards		Dennis Florum	4/22/05 - 6/6/05	5/12/2005	5/18/2005	5/19/2005	5/26/2005	6/1/05	6/6/05		
FERC IA Wind NOPR	18 CFR Part 35	Ken Goldsmith	1/24/05 - 2/24/05	2/11/2005	2/15/2005	2/16/2005	2/21/2005	2/22/05	2/24/05	Complete	
		Todd Gosnell									
Improve and Streamline Standards Process Manual	V.4.0 - D.1	Wayne Guttormson Jim Maenner	4/1/05 - 5/16/05	4/18/2005	4/21/2005	5/2/2005	5/9/2005	5/12/05	5/16/05		
Determine Facility Ratings	FAC-008-1	Tom Mielnik	2/18/05 - 4/4/05	3/4/2005	3/8/2005	3/9/2005	3/28/2005	3/31/05	4/3/05	Complete	

**Agenda Book Tab 6
05/36/05**

Augmentation Drafting Team Status Report

Team Members:

Jim Maenner, (WPS Operations)
Dave Acton (Alliant Operations)
Rob Thorson (MGE Operations)
Jim Haigh (WAPA Operations)
Tom Mielnik (MEC Planning)
Ben Deutsch (MRO)

Tony Jankowski (WE Energies Operations)
Hal Haugom (MGE Operations)
Al Boesch (NPPD Operations)
Len Januzik (ATC Planning)
Dave Jacobson (MH Planning)

Team Approach:

- Remain in SAR scope of activities
- MRO staff member will be on each team
- Each team to compare a section of MAPP Guides or policies to MAIN Guides
- Identify differences or gaps in standards, not procedures
- Compare to version 0 to determine if a guide or policy can be deleted, covered by version 0 or is a regional standards necessary
- Bring back to Team for agreement
- Draft a standard, if necessary, for Team to review
- Project plan creation to keep Teams aligned on track for posting date of 07/05/05

Team Assignments:

Al Boesch (Team Lead), Hal Haugom, Rob Thorson	MAPP Operating 1-3
Jim Haigh (Team Lead), Jim Maenner	MAPP Operating 4-6
Dave Acton, Tony Jankowski	MAPP Operating 7-9
Tom Mielnik (Team Lead), Len Januzik, Dave Jacobson	Planning
Tom	Section I.A-F
Dave	Section II.A-E
Len	Section II A-F & IV.A-B

Current Activities:

- Materials distributed
- Teams reviewing material assigned to determine effort scope
- Project plan to be finalized week of 5/20
- Team meetings to be held week of 5/20
- Setup MRO support for teams
- Develop and maintain potential problem analysis worksheet

ADT Drafting Team Time Line to Comply w/MRO Standards Process

Calendar Date	Action	Status From Project Plan
7/5/2004	Post Standard for Comment	
8/22/2005	Review Standard Comments	
8/29/2005	Re-Post Standard for Comment (If Necessary)	
9/1/2005	Register Ballot Pool	
9/12/2005	Review Standard Comments (If Necessary)	
9/15/2005	Post New Standard for Ballot	
10/15/2005	Ballot New Standard	
10/25/2005	Re-Circulate Ballot (If Necessary)	
11/10/2005	Consensus Standard Posted	
12/13/2005	Board of Directors Approve	
12/31/2005	Compliance Committee Implements	

Recommendation to the Standards Committee for Additional Augmentation Drafting Team Members

I would respectfully request your approval to add the following individuals to the Augmentation Drafting Team:

- Rob Thorson (MGE) Operations
- Dave Acton (Alliant Energy) Operations
- Jim Maenner (WPS) Operations
- Hal Haugom (MGE) Operations
- Tony Jankowski (We Energies) Operations

Experience Summary:

Rob Thorson (MGE)

- Energy Management Systems Engineer
- MISO Operations representative
- MGE Operations Engineer

Dave Acton (Alliant Energy)

- Utility system operations at Alliant Energy and its IES predecessor since 1971
- Dave has been a system operator, and control center supervisor
- 8 years as GENCO system operations manager for Alliant Energy.
- Served on the MAPP operating committee and operating practices subcommittee.
- Currently serves on the MRO Standards Committee
- Currently serves on the MAIN operating committee, MAIN operating reserve subcommittee and the MAIN board representative for Alliant Energy.
- Currently serves on the MISO reliability subcommittee and the control area working group.

Jim Maenner (WPS)

- 21 in bulk power and system operations (27 years with WPS)
- Long involvement and participation at MAIN on the Operating Committee, several subcommittees and working groups
 - Past Chairman MAIN Operating Committee
 - MAIN Operating Committee (Past Chairman)
 - Administrative Committee
 - Security Measures Working Group
 - OASIS Subcommittee
 - Security Processes Subcommittee

Recommendation to the Standards Committee for Additional Augmentation Drafting Team Members (continued)

Jim Maenner (WPS) (continued)

- Served on the NERC Operating Committee
- Served on the Midwest ISO's Operations Support Group, Reliability Subcommittee and Control Area Working Group.
- Currently serves on the MRO NSRS

Hal Haugom (MGE)

- MGE Electric Energy Trading Manager
- Twenty years experience in power supply (control area) operations
- Twenty years in Marketing / Trading
- Member of American Power Dispatchers Association (Past officer)
- Currently represents MGE on MAIN Supply Audit Working Group
- Currently represents MGE on MAIN Reserve Sharing Working Group

Tony Jankowski (WE Energies)

- Manager of Electric System Operations
- NERC Certified System Operator.
- Former Manager of Trading Operations
- Various positions related to generation or bulk system operations over the past 17 years.
- Current Member of:
 - MAIN Operating Committee – Vice Chair
 - NERC OC - Operating Reliability Subcommittee (Customer Rep)
 - Certification Standard Drafting Team
 - MISO CAWG and RS along with other MISO Stakeholder Forums
 - Past Chair of MAIN MIC and Member of NERC MIC
 - NERC Functional Model Working Group
 - Large Regional Reliability Council – Standards Coordination Team
- Extensive participation at the NERC, NAESB, and regional levels

Prepared and Respectfully Submitted to the MRO Standards Committee

By: Ben Deutsch, Standards Manager

Meeting Date: 05/26/05

**Agenda Book Tab 8
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Ballot Pool Registration and MRO Standards Process Software Status

Ballot Pool Registration

The software will be developed in stages to support the Augmentation Drafting Team milestones. The software development dates are:

- 06/01/05 Register Ballot Body
- 07/05/05 First posting of Standard for Comment
- 09/01/05 Register Ballot Pool
- 10/15/05 Ballot New Standard

MRO Standards Process Software Status

- Discussion continues with NERC to determine working relationship at the COO level
- NERC contacts for project are: Mark Landrow (Standards Manager) and Mike Burris (Project Manager)
- MRO contacts for project are: Mike Brytowski and Ben Deutsch
- Development Level:
 - MRO will move forward without NERC as NERC's time frame to develop is much longer
 - MRO contacts will work with the NERC contacts to incorporate as much common process as possible with out delaying the MRO completion date
 - MRO and NERC will share information and other documents to develop a system that can be modified easily in the future to accommodate future enhancements

Agenda Book Tab 9
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Large Regional Reliability Council (LRRC) Report

Day 1 Team

Automatic Reserve Sharing

Key concepts:

- Each member must have a way to satisfy DCS
- Reserve sharing group is primarily a commercial function
- There have to be some criteria for a reserve sharing group, including demonstration of deliverability
- Voluntary ARS administered by LRRC as value added service
- Transition period – 6 months max? Voluntary or mandatory?
- Exactly what will be administered? MAIN and ECAR systems?

Each member must have a way to satisfy the NERC DCS and PCS criteria. The LRRC will not be responsible for implementing a mandatory Automatic Reserve Sharing System. Members may chose to participate in a reserve sharing arrangement by participation in an RTO or other contractual agreements. Some of or all of the LRRC members will have the option of forming an Automatic Reserve Sharing group if so desired, which may be administered by the LRRC as a value-added service. There could be more than one Automatic Reserve Sharing group within the LRRC. LRRC members that decide to form an Automatic Reserve Sharing group will make their own rules for implementing their Automatic Reserve Sharing system but there needs to be some criteria, including demonstration of deliverability. In order to provide for Control Areas/Balancing Authorities that currently participate in an Automatic Reserve Sharing system, there will be a transition period of 6 months during which existing ARS systems or a substitute system will be administered by the LRRC. Thus all Control Areas/Balancing Authorities will have six months to make arrangements to replace their existing ARS system.

Emergency Operations

Concept at present is that LRRC emergency standards need to mirror NERC emergency operations standards. There needs to be a requirement that a reliability coordinator be identified and its specific responsibilities listed. Note that there was only preliminary discussion on this document. Group will re-look at ECAR Appendix 2 to see if any of these items should be included. Based on comments received today, team will get out a new draft.

Operating Reserves

It won't be possible to only adopt NERC BAL-002 Version 0 standard. Further discussion is needed on synchronized and spinning reserves. More work will be done on looking at contingency reserves allowing some load to be reflected in spinning

reserves and on capacity available in 30 minutes. Group needs to write a definition for each of the “terms of art” to ensure common understanding. Note – regulation is a market, not a reserve.

Key Milestones

- 6/15 Preliminary report
- 6/22 Day 1 Standards Team to present preliminary results to Regional Members
- 8/15 Final Report to Standards Coordination Team
- 11/1 NERC Consideration of new council

Day 2 Team

First meeting held May 12th. Larry Brusseau and Ben Deutsch representing the MRO.

Scope of Work

The Day 2 Standards Team (D2ST) is comprised of two representatives from each region (planning and operating). The D2ST will review the existing standards, criteria, rules, and guides of ECAR, MAAC and MAIN and categorize each standard by degree of difficulty necessary to transition it to the set of needed LRRC standards identified by the SCT. Using the categories developed, the D2ST will incorporate the proposed new LRRC standards process and guiding principles for standards development into a transition plan (including timeline).

Guiding Principles for the Transition Process:

1. Uniform and broader geographical standards are the ultimate objective of the LRRC.
2. The target date for the development of new “Day 2” LRRC standards is a portfolio of dates with a target of 1/1/07.
3. All existing standards will be categorized by priority to reliability and degree of difficulty of transition:
4. LRRC policy dictates compliance to NERC Standards
5. Additional regional standards (beyond the NERC Standards) may be necessary and shall be adopted as LRRC standards. .
6. Existing legacy standards differences must be thoroughly understood and resolved to create a single uniform set of LRRC standards.
7. A member or group of members may choose to exceed the specific criteria of an individual LRRC standard
8. The implementation plan approved for each standard must recognize the existing infrastructure and allow for a reasonable transition time.

Standards Team

Goals

Team’s schedule has been moved up to have Day One standards complete by mid-August.

Decisions

- SCT will create an interim and a permanent process for adoption or deletion of standards by the LRRC, including role of LRRC board in the adoption process.
- SCT will produce a list of standards needed for both Day One and Day Two. Day Two standards will include transition from current legacy standards as well as any newly-identified standards for the new region. The SCT will identify the LRRC Standards required to create a uniform set of reliability standards needed to meet NERC requirements and replace the existing requirements of ECAR, MAAC and MAIN.
- On Day One, there will be LRRC standards for three areas. All other existing ECAR, MAAC, and MAIN legacy standards will remain in effect for former members of those councils from “Day One” until they have been adopted as LRRC standards or deleted in accordance with the LRRC standards approval process.
- Tony Jankowski will serve as liaison from SCT to D2ST.

Report prepared for: MRO SC May 26th, 2005 Meeting
Prepared by: Ben Deutsch, Standards Manager
Date: May 12th, 2005

**Agenda Book Tab 10
05/26/05**

**Report to the MRO Standards Committee
on the Activities of the
NERC Standards Evaluation Subcommittee**

SES Activities since the February 21st, 2005 Report

The SES prepared comments on the draft Facility Ratings Standards. I have attached a copy of the SES comments for your information.

The SES met via teleconference on March 30th, 2005 to review the comments on the Facility Ratings Standards prior to filing.

The SES chair has not scheduled future meetings to date.

Report prepared for: MRO SC May 26th, 2005 Meeting
Prepared by: Ron W. Mazur, MRO SES representative
Date: May 11, 2005

Attachment: Facility_Ratings_Comment_Form_02_05.doc

COMMENT FORM
Proposed Determine Facility Ratings

This form is to be used to submit comments on the proposed Determine Facility Ratings Standard. Comments must be submitted by **April 03, 2005**. You may submit the completed form by emailing it to: sarcomm@nerc.com with the words "DFR Standard- Comments" in the subject line. If you have questions please contact Mark Ladrow at mark.ladrow@nerc.net or by telephone at 609-452-8060.

ALL DATA ON THIS FORM WILL BE TRANSFERRED AUTOMATICALLY TO A DATABASE AND IT IS THEREFORE IMPORTANT TO ADHERE TO THE FOLLOWING REQUIREMENTS:

- DO:**
- Do enter text only, with no formatting or styles added.
 - Do use punctuation and capitalization as needed (except quotations).
 - Do use more than one form if responses do not fit in the spaces provided.
 - Do submit any formatted text or markups in a separate WORD file.

- DO NOT:**
- Do not insert tabs or paragraph returns in any data field.
 - Do not use numbering or bullets in any data field.
 - Do not use quotation marks in any data field.
 - Do not submit a response in an unprotected copy of this form.

Individual Commenter Information	
(Complete this page for comments from one organization or individual.)	
Name:	
Organization:	
Telephone:	
Email:	
NERC Region	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/> 1 - Transmission Owners
<input type="checkbox"/> ECAR	<input type="checkbox"/> 2 - RTOs, ISOs, Regional Reliability Councils
<input type="checkbox"/> FRCC	<input type="checkbox"/> 3 - Load-serving Entities
<input type="checkbox"/> MAAC	<input type="checkbox"/> 4 - Transmission-dependent Utilities
<input type="checkbox"/> MAIN	<input type="checkbox"/> 5 - Electric Generators
<input type="checkbox"/> MAPP	<input type="checkbox"/> 6 - Electricity Brokers, Aggregators, and Marketers
<input type="checkbox"/> NPCC	<input type="checkbox"/> 7 - Large Electricity End Users
<input type="checkbox"/> SERC	<input type="checkbox"/> 8 - Small Electricity End Users
<input type="checkbox"/> SPP	<input type="checkbox"/> 9 - Federal, State, Provincial Regulatory or other Government Entities
<input type="checkbox"/> WECC	
<input type="checkbox"/> NA - Not Applicable	

The Determine Facility Ratings, System Operating Limits and Transfer Capabilities Standard was last posted for a public comment period from December 1, 2003 through January 21, 2004. The SDT received 43 sets of comments, representing 170 different individuals from 89 entities in six of the nine Industry Segments, and all NERC Regions.

While commenters indicated the standard is moving towards industry consensus, they also highlighted a number of areas needing additional clarification. The Standards Authorization Committee (SAC) also asked the Standard Drafting Team to bring certain concerns about a single rating methodology, as stated in August 14, 2003 Blackout documents, to the industry for feedback and possible inclusion into this standard. In addition, the NERC Operating Committee asked that the members of the Operating Limits Definition Task Force (OLD-TF), the Operate Within IROLs SDT (IROL SDT), and the members of the Determine Facility Ratings SDT (DFR SDT) to develop a common draft IROL definition for industry comment.

The SDT did make three types of changes to this draft standard – changes based on industry comments to the second posting of this standard, changes based on the request from the SAC, and changes based on the necessity to have a common understanding of how to identify IROLs. The changes to the standards relative to the last posting are highlighted in the Executive Summary of Changes Made, and the attached form seeks your feedback on the appropriateness of these changes. In addition to the changes highlighted in the Executive Summary, the SDT put the standard into the ‘new’ standard format established with Version 0 Standards. With the new format, each of the six major requirements is now a ‘stand-alone’ standard, sequentially numbered FAC-008-1 through FAC-013-1.

Please answer the following questions:

Definitions:

1. Do you agree with the SDT's proposed definitions for Cascading Outages, Contingencies, Interconnection Reliability Operating Limits, and Interconnection Reliability Operating Limit T_v ?

Agree

Disagree

Comments: The SES is a standing committee of the NERC Planning Committee. Among other activities, the SES is charged with reviewing and commenting on NERC-proposed Standard Authorization Requests and Reliability Standards as to their potential impact on electric system planning and analysis methodologies and practices. The SES commends and supports the SDT in their effort in drafting the proposed standards and offers the following comments:

The SES recommends the definition of Cascading Outages be revised to read: The uncontrolled and unplanned successive loss of system elements triggered by an incident of multiple facilities that lead to loss of load and or generation.

The SES also has concerns over the revised definition of Contingency proposed in FAC-010-1. The SES poses the following question: Is the definition being proposed in FAC-010-1 intended to replace the definition of Contingency provided in the Version 0 standards recently adopted? If not, does the SDT believe having two definitions of Contingency may lead to confusion? And if so, has the SDT completed a comprehensive analysis of any impacts, changes, or conflicts that may make this new definition incompatible with any provision of the Version 0 standards?

Without regard to the above statement, the SES believes the proposed definition for Contingency in FAC-010-1 is confusing. The plain reading of the definition appears to state that a single contingency may also result in a multiple contingency. As a result, the SES recommends the definition of Contingency remain as adopted in the Version 0 standards.

FAC-008-1 (Previously Section 601) – Facility Ratings Methodology:

2. What additional changes, if any, should the SDT make to Reliability Standard FAC-008-1 to add more criteria to the requirement for establishing a Facility Ratings Methodology?

No additional changes needed

The following additional criteria are needed:

Comments:

While the SES believes this standard should not mandate a Transmission Owner (TO) or Generation Owner (GO) to develop emergency ratings; we do feel it appropriate to include a requirement for any assumptions used for the development of emergency ratings; if used, to be addressed in section R1.3. This could be accomplished by revising R1.3.4 to read: Any other assumptions including those for emergency ratings, if appropriate.

In section D 2.1.2; 2.2; and 2.3: The SES recommends further clarification as to which equipment types are being referenced. It may be assumed, the equipment types are intended to be the equipment types referenced in R1.2.1; however, the SES would like the SDT to specifically note the equipment types or provide a reference to R1.2.1.

3. Do you agree with the changes made to Reliability Standard FAC-008-1 to address the technical review of Facility Ratings Methodologies?

Agree

Disagree

Comments: The SES does not agree with the proposal for technical reviews as currently written. While the SES agrees and supports the requirement that TOs and GOs make available any rating methodology developed to other appropriate entities and also supports the obligation to respond to requests for clarification; we do not believe that these entities should be able to request changes or that the TO or GO must explain why the methodology will not be changed. The TO or GO is by definition, the owner of the asset; and as such, is the entity that has a fiduciary responsibility to, the asset owner's shareholders. This responsibility includes (among others) setting the ratings such that warranties and employee/public safety are protected as well as the asset itself is preserved and operated as intended. The TO or GO should not have to justify their respective methodologies to other entities that may have other motivations, such as seeing transfer limits increased for example. However, if the SDT and industry feel that a technical review is necessary, then the reliability region and NERC would be the appropriate entities to conduct such a review a part of a compliance process. In addition, the SES believes the 30 day period to respond to any comments could potentially place a significant burden on the TO or GO. The SES recommends this requirement be extended to 60 days.

FAC-008-1

D1.2: The SES believes the requirement to self-certify every three years implies a requirement to keep the methodology document(s) up-to-date; yet this is not clearly stated. The SES recommends self-certification be required annually. The SES would also like the SDT to clarify the requirement that the Compliance Monitor...may also conduct an on-site audit cycle once every nine years. The use of the word--may--implies that the audit may or even may not be completed. The SES believes that have a rating methodology is a fundamental element of Good Utility Practice and therefore recommends this requirement be revised to read: The Compliance Monitor shall conduct an on-site audit once every five years and an investigation upon complaint to assess performance.

FAC-009-1

CM2: The SDT should provide clarification as to what is meant by...as scheduled by the requesting entities. The TO or GO will generally develop rating data for new facilities when it becomes known, and re-affirm it as built (See Comment on Question 9). Similarly, data for existing equipment is revised when modifications/reratings, etc. is done. All ratings are normally reaffirmed annually with model building processes. Additionally, in the example where the TO and Transmission Planner (TP) are the same entity, what will constitute evidence that the data was provided?

FAC-010-1 (Previously Section 603) – System Operating Limits Ratings Methodology:

4. Do you agree with moving the identification of IROLs to this standard?

Agree

Disagree

Comments:

5. What additional changes, if any, should the SDT make to Reliability Standard FAC-010-1 to add more criteria to the requirement for establishing a System Operating Limits Methodology to determine SOLs; and/or to determine which SOLs are also IROLs?

No additional changes needed

The following additional criteria are needed:

Comments: The following comments refer to FAC-010-1:

R2: The SES recommends the SDT clarify the criteria to be used to develop the SOLs.

R3: Allows the planning and operating horizons to be set by the Reliability Authority (RA) and Planning Authority (PA) at their discretion. The SES recommends the SDT identify and define the planning horizon as one year and beyond.

R4: The SES requires some clarification with regards to R4. Planners are required to ensure the system meets the performance requirements set forth in Table 1 of the Version 0 planning standards. Requirements R4.2.1 - R4.2.3 fall short of compliance with Table 1. As a result, any SOLs developed based on Table 1, may not be compatible with the operating SOLs.

R4.3.2: The SES recommend the SDT delete or further explain in more detail the requirement...or if the real time operating conditions are more adverse than anticipated in the corresponding studies. The SES's concern is that the methodology developed is dealing with studies to determine SOLs by defining an acceptable response. Any real-time operating conditions are not known.

D1.4: The SES recommends changing 5 business days to 15 business days. This increase in the number of days makes the compliance request typical with other NERC compliance requirements. (See FAC-008-1, BR2). This recommendation shall apply throughout our comments on these standards.

D2.1.3: The SES recommends changing...methodology did not address evaluation... to ...methodology did not address a requirement for evaluation.

D3.1.1 and D3.1.2: Same comment as for D2.1.3.

6. Do you agree with the changes made to Reliability Standard FAC-010-1 to address the technical review of System Operating Limits Methodologies?

Agree

Disagree

Comments: In general, the SES would have the SDT refer to our comments in Question #3 regarding the technical review of methodologies.

In addition, the SES offers the following comments:

FAC-011-1

R4: The SDT should clarify what is meant by the intent of ...schedule for delivery of those limits.

R4.2: Previous to R4.2, the Transmission Operator (TOp) is not required to calculate SOLs. Therefore, the SES recommends the deletion of R4.2 or provide further clarification as to what responsibility the TOp has with respect to developing SOLs.

D1.4: Increase 5 days to 15 days.

D2.2.2: The proposed standard reads: Some, but not all SOLs were provided in accordance with their respective schedules. The SES recommends the SDT clarify and further define--some-- so as to make this requirement measurable and above individual interpretation. Also the SES would like to see additional definition of the term--schedules-- as discussed in R4 above.

FAC-012-1 (Previously Section 605) – Transfer Capability Methodology:

7. What additional changes, if any, should the SDT make to Reliability Standard FAC-012-1 to add more criteria to the requirement for establishing a Transfer Capability Methodology?

No additional criteria needed

The following additional criteria are needed:

Comments:

8. Do you agree with the changes made to Reliability Standard FAC-012-1 to address the technical review of the Transfer Capability Methodology?

Agree

Disagree

Comments: In general, the SES would have the SDT refer to our comments in Question #3 regarding the technical review of methodologies.

Overall Standard:

9. Please identify any other changes you think the SDT should make to this standard before it is submitted for ballot.

The technical content of the standard is ready to be submitted for ballot

The following changes should be made to the standard before it is submitted for ballot:

Other comments: Once again, the SES would like to commend and thank the SDT for their effort and work in drafting this important standard and offers the following final comments:

FAC-012-1

R2.2 and M2.2: The SES questions how is the RA or the PA to know which specific entities may be modeling any portion of their respective areas. The SES recommends revising this to require distribution of methodologies to entities other than those adjacent to the RA or PA, upon request. This same comment should be considered throughout these standards where appropriate.

CM1: The TP does not have the requirement to have a methodology document. SES assumes the SDT meant Reliability Authority instead based on the context of the standard. The SES recommends revising M1 accordingly.

D2.1.1; D2.2; and D2.3: The SES recommends the SDT clarify what is specifically being referenced by the phrase...statements or descriptions.

FAC-013-1

R2.1: The SES believes there is a typo in R2.1. We recommend the phrase...to Reliability Authorities,...be deleted as it is confusing and redundant.

CM2: The SES offers the same comments as for other standards regarding the need to clarify the phrase...schedules supplied by the requestor...

D1.4: The SES recommends changing 5 business days to 15 business days as previously discussed.

D2.2: The SES recommends the SDT clarify and further define the term--some--as to make it measurable.

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NERC Standard	Requirement	Comment	Procedure, Process or Standard	Assign to:
BAL-002-0 Disturbance Control Performance	R2. Each Regional Reliability Organization, sub-Regional Reliability Organization or Reserve Sharing Group shall specify its Contingency Reserve policies, including:(See standard for details)	The GRSP Handbook addresses the requirements for contingency reserves. The 40% criteria is a good candidate for a Regional standard.	Standard - The reserve sharing pools establish this in the MRO.	MAPP GRSP and MAIN Pool
Standard BAL-006-0 Inadvertent Interchange	R.5 Adjacent Balancing Authorities that cannot mutually agree upon their respective Net Actual Interchange or Net Scheduled Interchange quantities by the 15th calendar day of the following month shall, for the purposes of dispute resolution, submit a report to their respective Regional Reliability Organization Survey Contact. The report shall describe the nature and the cause of the dispute as well as a process for correcting the discrepancy.	Is the MRO or MAPP submitting the summary	Process	MRO Staff
EOP-004-0 Disturbance Reporting	R1. Each Regional Reliability Organization shall establish and maintain a Regional reporting procedure to facilitate preparation of preliminary and final disturbance reports. R5. The Regional Reliability Organization shall track and review the status of all final report recommendations at least twice each year to ensure they are being acted upon in a timely manner. If any recommendation has not been acted on within two years, or if Regional Reliability Organization tracking and review indicates at any time that any recommendation is not being acted on with sufficient diligence, the Regional Reliability Organization shall notify the NERC Planning Committee and Operating Committee of the status of the recommendation(s) and the steps the Regional Reliability Organization has taken to accelerate implementation	This is addressed in the reliability MAPP Reliability Handbook Appendix 5F – MAPP Disturbance Reporting. This appendix needs updating to fit the MRO	Procedure	MRO Staff
EOP-007-0 Establish, Maintain, and Document a Regional Blackstart Capability Plan.	R1. Each Regional Reliability Organization shall establish and maintain a system BCP, as part of an overall coordinated Regional SRP. The Regional SRP shall include requirements for verification through analysis how system blackstart generating units shall perform their intended functions and shall be sufficient to meet SRP expectations. The Regional Reliability Organization shall coordinate with and among other Regional Reliability Organizations as appropriate in the development of its BCP. The BCP shall include: (See standard for details)	Although the power system restoration plan identifies blackstart units it does not address all of the details of the standard. The MRO should establish some requirements.	Standard - Could this be a procedure?	MRO Staff
Standard FAC-004-0 — Methodologies for Determining Electrical Facility Ratings	R1. The Transmission Owner and Generator Owner shall each document the methodology (ies) used to determine its electrical equipment and Facility Ratings. Further, the methodology (ies) shall comply with applicable Regional Reliability Organization requirements. The documentation shall address and include (See standard for details)	Although this standard references Regional requirements there is not a standard that requires the RRO to establish facility rating methodology.	Nothing is required but a procedure could generated if necessary.	MAPP& MISO
Standard MOD-001-0 — Documentation of TTC and ATC Calculation Methodologies	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and document a Regional TTC and ATC methodology. (Certain systems that are not required to post ATC values are exempt from this standard.) The Regional Reliability Organization's TTC and ATC methodology shall include each of the following nine items, and shall explain its use in determining TTC and ATC values:	MAPP's methodology is described in the Reliability Handbook: MAPP Region Total and Available Transfer Capability Methodology(Appendix 6A – Subsection A). The Methodology will need to be reviewed to see if it contains all of the components identified in the standard.	Sounds like a standard way of doing something. However it does not sound like the typical standard because it is a joint process of development. If everone is expected to use the say method it sounds like a standard	MAPP & MISO
Standard MOD-004-0 — Documentation of Regional CBM Methodologies	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and document a Regional CBM methodology. The Regional Reliability Organization's CBM methodology shall include each of the following ten items, and shall explain its use in determining CBM value. Other items that are Regional Reliability Organization specific or that are considered in each respective Regional Reliability Organization methodology shall also be explained along with their use in determining CBM values.	MAPP's methodology is described in the Reliability Handbook:MAPP Regional Capacity Benefit Margin Methodology (Appendix 6A – Subsection C). The Methodology will need to be reviewed to see if it contains all of the components identified in the standard.	Sounds like a standard way of doing something. However it does not sound like the typical standard because it is a joint process of development. If everone is expected to use the say method it sounds like a standard	MAPP& MISO

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Standard MOD-008-0 — Documentation and Content of Each Regional TRM Methodology	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and document a Regional TRM methodology. The Region's TRM methodology shall specify or describe each of the following five items, and shall explain its use, if any, in determining TRM values. Other items that are Region-specific or that are considered in each respective Regional methodology shall also be explained along with their use in determining TRM values.	MAPP's methodology is described in the Reliability Handbook: MAPP Regional Transmission Reliability Margin Methodology (Appendix 6A – Subsection B). The Methodology will need to be reviewed to see if it contains all of the components identified in the standard.	Sounds like a standard way of doing something. However it does not sound like the typical standard because it is a joint process of development. If everyone is expected to use the say method it sounds like a standard	MAPP& MISO
Standard MOD-002-0 — Review of TTC and ATC Calculations and Results	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and implement a procedure to periodically review (at least annually) and ensure that the TTC and ATC calculations and resulting values of member Transmission Service Providers comply with the Regional TTC and ATC methodology and applicable Regional criteria.	No procedure currently exists.	Procedure	Staff
Standard MOD-005-0 — Procedure for Verifying CBM Values	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and implement a procedure to periodically review (at least annually) and ensure that the TTC and ATC calculations and resulting values of member Transmission Service Providers comply with the Regional TTC and ATC methodology and applicable Regional criteria.	No procedure currently exists.	Procedure	MRO Staff
Standard MOD-009-0 — Procedure for Verifying TRM Values	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and implement a procedure to review Transmission Reliability Margin (TRM) calculations and resulting values of member Transmission Service Providers to ensure they comply with the Regional TRM methodology, and are periodically updated and available to transmission users. This procedure shall include the following four required elements	No procedure currently exists.	Procedure	MRO Staff
Standard MOD-003-0 — Procedure for Input on TTC and ATC Methodologies and Values	R1. Each Regional Reliability Organization, in conjunction with its members, shall develop and document a procedure on how transmission users can input their concerns or questions regarding the TTC and ATC methodology and values of the Transmission Service Provider(s), and how these concerns or questions will be addressed. The Regional Reliability Organization's procedure shall specify the following: (See standard for details)	No procedure currently exists.	Procedure	MRO Staff
Standard MOD-011-0 Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures.	R1. The Regional Reliability Organizations within an Interconnection, in conjunction with the Transmission Owners, Transmission Planners, Generator Owners, and Resource Planners, shall develop comprehensive steady-state data requirements and reporting procedures needed to model and analyze the steady-state conditions for each of the NERC Interconnections: Eastern, Western, and ERCOT. Within an Interconnection, the Regional Reliability Organizations shall jointly coordinate the development of the data requirements and reporting procedures for that Interconnection. The Interconnection-wide requirements shall include the following steady-state data requirements: R2. The Regional Reliability Organizations within an Interconnection shall document their Interconnection's steady-state data requirements and reporting procedures, shall review those data requirements and reporting procedures (at least every five years), and shall make the data requirements and reporting procedures available on request (within five business days) to Regional Reliability Organizations, NERC, and all users of the interconnected	Is the MRO involved in this process, or is this a MAPP process?	Procedure/Process	MAPP& MISO

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<p>Standard MOD-013-0 Maintenance and Distribution of Dynamics Data Requirements and Reporting Procedures</p>	<p>R1. The Regional Reliability Organization, in coordination with its Transmission Owners, Transmission Planners, Generator Owners, and Resource Planners, shall develop comprehensive dynamics data requirements and reporting procedures needed to model and analyze the dynamic behavior or response of each of the NERC Interconnections: Eastern, Western, and ERCOT. Within an Interconnection, the Regional Reliability Organizations shall jointly coordinate on the development of the data requirements and reporting procedures for that Interconnection. Each set of Interconnection-wide dynamics data requirements shall include the following dynamics data requirements: (See standard for details)</p> <p>R2. The Regional Reliability Organization shall participate in the documentation of its Interconnection's data requirements and reporting procedures and, shall participate in the review of those data requirements and reporting procedures (at least every five years), and shall provide those data requirements and reporting procedures to Regional Reliability Organizations, NERC, and all users</p>	<p>Is the MRO involved in this process, or is this a MAPP process?</p>	<p>Procedure/Process</p>	<p>MAPP& MISO</p>
<p>Standard MOD-014-0 Development of Steady-State System Models</p>	<p>R1. The Regional Reliability Organization(s) within each Interconnection shall coordinate and jointly develop and maintain a library of solved (converged) Interconnection-specific steadystate system models. The Interconnection-specific models shall include near- and longer-term planning horizons that are representative of system conditions for projected seasonal peak, minimum, and other appropriate system demand levels.</p> <p>R2. The Regional Reliability Organization(s) within each Interconnection shall coordinate and jointly develop steady-state system models annually for selected study years, as determined by the Regional Reliability Organizations within its Interconnection. The Regional Reliability Organization shall provide the most recent solved (converged) Interconnection-specific steadystate models to NERC in accordance with each Interconnection's schedule for submission.</p>	<p>Is the MRO involved in this process, or is this a MAPP process?</p>	<p>Procedure/Process</p>	<p>MAPP& MISO</p>
<p>Standard MOD-014-0 Development of Dynamics System Models</p>	<p>R1. The Regional Reliability Organization(s) within each Interconnection shall coordinate and jointly develop and maintain a library of initialized (with no Faults or system Disturbances) Interconnection-specific dynamics system models linked to the steady-state system models, as appropriate, of Reliability Standard MOD-014-0_R1.</p> <p>R2. The Regional Reliability Organization(s) within each Interconnection shall develop Interconnection dynamics system models for their Interconnection annually for selected study years as determined by the Regional Reliability Organization(s) within each Interconnection and shall provide the most recent initialized (approximately 25 seconds, no-fault) models to NERC in accordance with each Interconnection's schedule for submission.</p>	<p>Is the MRO involved in this process, or is this a MAPP process?</p>	<p>Procedure/Process</p>	<p>MAPP& MISO</p>
<p>Standard MOD-016-0 Documentation of Data Reporting Requirements for Actual and Forecast Demands, Net Energy for Load, and Controllable Demand-Side Management</p>	<p>R1. The Planning Authority and Regional Reliability Organization shall have documentation identifying the scope and details of the actual and forecast (a) Demand data, (b) Net Energy for Load data, and (c) controllable DSM data to be reported for system modeling and reliability analyses.</p>	<p>Is the MRO involved in this process, or is this a MAPP process?</p>	<p>Procedure/Process</p>	<p>MAPP& MISO</p>
<p>Standard PRC-002-0 Define and Document Disturbance Monitoring Equipment Requirements.</p>	<p>R1. The Regional Reliability Organization shall develop comprehensive requirements for the installation of Disturbance monitoring equipment to ensure data is available to determine system performance and the causes of System Disturbances. The comprehensive requirements shall include all of the following: (See standard for details)</p>	<p>The reliability handbook, appendix 4a, has some requirements for disturbance monitoring equipment. It does not appear that the appendix meets all the requirements of the standard. The contents will need to be reviewed against the specifics of this standard.</p>	<p>Standard</p>	<p>MAPP& MISO</p>

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Standard PRC-003-0 Regional Procedure for Transmission Protection System Misoperations.	R1. Each Regional Reliability Organization shall have a procedure for the monitoring, review, analysis, and correction of all transmission protection system misoperations. Each Regional Reliability Organization's procedure shall include the following elements: (See standard for details)	Misoperations are currently sent in but I am not sure that there is a procedure for review, analysis and correction.	Procedure	MAPP& MISO
Standard PRC-006-0 Development and Documentation of Regional Reliability Organizations' Underfrequency Load Shedding Program	R1. Each Regional Reliability Organization shall develop, coordinate, and document an UFLS program, which shall include the following: (See standard for details)	There is no criteria in the Handbook	Standard- Could this be a procedure?	RAC and SC?
Standard PRC-012-0 Special Protection System Review Procedure	R1. Each Regional Reliability Organization with a Transmission Owner, Generator Owner, or Distribution Providers that uses or is planning to use an SPS shall have a documented Regional Reliability Organization SPS review procedure to ensure that SPSs comply with Regional criteria and NERC Reliability Standards. The Regional SPS review procedure shall include: (See standard for details)	The Reliability Handbook has very little information on SPS. A procedure should be developed that includes all of the requirements of the standard	Procedure	MRO Staff
Standard PRC-013-0 Special Protection System Database	R1. The Regional Reliability Organization that has a Transmission Owner, Generator Owner, or Distribution Provider with an SPS installed shall maintain an SPS database. The database shall include the following types of information: (See standard for details)	A data base should be developed that includes all of the requirements of the standard	Process (database)	MRO Staff
Standard PRC-014-0 Special Protection System Assessment	R1. The Regional Reliability Organization shall assess the operation, coordination, and effectiveness of all SPSs installed in its Region at least once every five years for compliance with NERC Reliability Standards and Regional criteria.	Establish a process/procedure to review SPS	Process/Procedure	MRO Staff
Standard TPL-005-0 — Regional and Interregional Self-Assessment Reliability Reports	R1. Each Regional Reliability Organization shall annually conduct reliability assessments of its respective existing and planned Regional Bulk Electric System (generation and transmission facilities) for: (See standard for details)	The MRO will need to develop a process/procedure	Process/Procedure	MRO Staff
Standard TPL-006-0 — Assessment Data from Regional Reliability Organizations	R1. Each Regional Reliability Organization shall provide, as requested (seasonally, annually, or as otherwise specified) by NERC, system data, including past, existing, and future facility and Bulk Electric System data, reports, and system performance information, necessary to assess reliability and compliance with the NERC Reliability Standards and the respective Regional planning criteria. The facility and Bulk Electric System data, reports, and system performance information shall include, but not be limited to, one or more of the following types of information as outlined below: (See standard for details)	The MRO will need to develop a process/procedure	Process/Procedure	MRO Staff

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05/26/05

MRO Procedures - NERC Version 0

TPL-001-0: System Performance Under Normal (No Contingency) Conditions (Category A)

A. Introduction

3. Purpose: System simulations and associated assessments are needed periodically to ensure that reliable systems are developed that meet specified performance requirements with sufficient lead time, and continue to be modified or upgraded as necessary to meet present and future system needs.

4. Applicability:

4.1. Planning Authority

4.2. Transmission Planner

B. Requirements

R1.3. Be supported by a current or past study and/or system simulation testing that addresses each of the following categories, showing system performance following Category A of Table 1 (no contingencies). **The specific elements selected (from each of the following categories) shall be acceptable to the associated Regional Reliability Organization(s).**

Note: This is also the case with TPL-002-0, TPL-003-0, and TPL-004-0.

TPL-005-0: Regional and Interregional Self-Assessment Reliability Reports

A. Introduction

3. Purpose: To ensure that each Regional Reliability Organization complies with planning criteria, for assessing the overall reliability (Adequacy and Security) of the interconnected Bulk Electric Systems, both existing and as planned.

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **Each Regional Reliability Organization shall annually conduct reliability assessments** of its respective existing and planned Regional Bulk Electric System (generation and transmission facilities) for:

Note: I assume the MRO-RAC has this covered.

FAC-004-0 Methodologies for Determining Electrical Facility Ratings

A. Introduction

3. Purpose: To ensure that electrical facilities used in the transmission and storage of electricity are rated in compliance with applicable Regional Reliability Organization requirements.

4. Applicability:

4.1. Transmission Owner

4.2. Generator Owner

B. Requirements

R1. The Transmission Owner and Generator Owner shall each document the methodology(ies) used to determine its electrical equipment and Facility Ratings. Further, the methodology(ies) shall **comply with applicable Regional Reliability Organization requirements**. The documentation shall address and include:

PRC-002-0: Define and Document Disturbance Monitoring Equipment Requirements

A. Introduction

3. Purpose: To ensure that Disturbance monitoring equipment is installed in a uniform manner to facilitate development of models and analyses of events.

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **The Regional Reliability Organization shall develop comprehensive requirements** for the installation of Disturbance monitoring equipment to ensure data is available to determine system performance and the causes of System Disturbances.

PRC-003-0: Regional Procedure for Transmission Protection System Misoperations

A. Introduction

3. Purpose: To ensure all transmission protection system misoperations are analyzed for cause and corrective action and maintenance and testing programs are developed and implemented

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **Each Regional Reliability Organization shall have a procedure** for the monitoring, review, analysis, and correction of all transmission protection system misoperations.

PRC-006-0: Development and Documentation of Regional Reliability Organizations' Underfrequency Load Shedding Programs

A. Introduction

3. Purpose: Provide last resort system preservation measures by implementing an Under Frequency Load Shedding (UFLS) program.

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **Each Regional Reliability Organization shall develop**, coordinate, and document an UFLS program, which shall include the following:

Note: May need to include any maintenance & testing expectations of the UFLS owners.

PRC-012-0: Special Protection System Review Procedure

A. Introduction

3. Purpose: To ensure that all Special Protection Systems (SPS) are properly designed, meet performance requirements, and are coordinated with other protection systems. To ensure that maintenance and testing programs are developed and misoperations are analyzed and corrected.

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **Each Regional Reliability Organization** with a Transmission Owner, Generator Owner, or Distribution Providers that uses or is planning to use an SPS **shall have a documented Regional Reliability Organization SPS review procedure** to ensure that SPSs comply with Regional criteria and NERC Reliability Standards. The Regional SPS review procedure shall include:

Note: May need to include any maintenance & testing expectations of the SPS owners.

PRC-013-0: Special Protection System Database

A. Introduction

3. Purpose: To ensure that all Special Protection Systems (SPSs) are properly designed, meet performance requirements, and are coordinated with other protection systems.

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **The Regional Reliability Organization** that has a Transmission Owner, Generator Owner, or Distribution Provider with an SPS installed **shall maintain an SPS database**. The database shall include the following types of information:

PRC-014-0: Special Protection System Assessment

A. Introduction

3. Purpose: To ensure that all Special Protection Systems (SPS) are properly designed, meet performance requirements, and are coordinated with other protection systems. To ensure that maintenance and testing programs are developed and misoperations are analyzed and corrected.

4. Applicability:

4.1. Regional Reliability Organization

B. Requirements

R1. **The Regional Reliability Organization shall assess** the operation, coordination, and effectiveness of all SPSs installed in its Region at least once every five years for compliance with NERC Reliability Standards and Regional criteria.

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05/26/05

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

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

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Introduction

Purpose This manual defines the characteristics of an 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 Reliability Standards apply to the reliability planning and operation of bulk electric systems located within the Midwest Reliability Organization region.

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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 MRO Reliability Standards and Process.

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

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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.

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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.

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MRO Reliability Standard Definition, Characteristics, and Elements

Definition of a MRO Reliability Standard A MRO 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.

MRO Reliability Standards include:

1. 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. NERC Reliability Standards that have been adopted for MRO compliance purposes.

Characteristics of a MRO Reliability Standard A MRO 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 MRO Reliability Standards.

A MRO Reliability Standard shall have the following characteristics:

- **Material to Reliability** - A 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** - A MRO Reliability Standard shall establish technical or performance requirements that can be practically measured.
- **Relative to NERC Reliability Standards** - 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 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 a MRO Reliability Standard A MRO Reliability Standard shall consist of the elements shown in the MRO Reliability Standard Template. These elements are intended to apply a systematic discipline in the development and revision of 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 a 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

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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:¶

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Interconnection-wide Regional Sta... [1]

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The following are the core elements of a MRO Reliability 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.
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 will be used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measurement shall 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.

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- Comment: Note that this document does not refer to the NERC Reliability Principles anywhere else.
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Compliance Administration Elements

Compliance Monitoring Process	Defines for each measure: <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 such data or information. • The process that will be used to evaluate such data or information. • The entity that is responsible for evaluating such data or information. • 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.

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Supporting Information Elements

Interpretations	Formal interpretations of the <u>MRO Reliability</u> Standard. Interpretations are temporary, as the standard should be revised to incorporate the interpretation.
Supporting References	<p>This section will reference related documents that support implementation of the <u>MRO Reliability</u> Standard, but are not themselves mandatory. Examples include, but are not limited to:</p> <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

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Roles in the MRO Reliability Standards Development Process

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Nomination, Revision or Withdrawal of a Standard Any member of the MRO, or group within MRO shall be allowed to request that a 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 a MRO Reliability Standard be developed, modified, or withdrawn.

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Process Roles

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

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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 MRO Reliability Standards presented for adoption by the Board.

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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).

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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.

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The MRO **Reliability** Standards **P**rocess relies on an open and inclusive participation of the electric utility industry. While the MRO Sectors provide for broad industry representation, **they do** not necessarily provide for input from various segments within a Sector. **The MRO Reliability Standards P**rocess addresses this difference by reflecting in its Standards Process a **Ballot Body** comprised of Segments similar to those being utilized by the NERC **instead of the MRO Sectors (see Appendix B)**.

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Standards Process Manager – This is an MRO staff function. The **MRO Reliability** Standards **P**rocess 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 **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.**

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Compliance Committee - The mission of the MRO Compliance Committee is to manage and enforce compliance with MRO **Reliability** Standards. The development of **a 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 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.

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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

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

In accordance with the MRO Bylaws, a NERC Reliability Standard must be adopted as a MRO Reliability Standard before MRO can enforce compliance. Because the NERC Reliability Standards Process is open, fair, and allows all interested parties to participate, the MRO can adopt a NERC Reliability Standard as a MRO Reliability Standard without requiring the full MRO Reliability Standards Consensus Process (i.e., use of the MRO ballot body). The MRO has three options on how to deal with NERC Reliability Standards:

1. 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 will be treated like other MRO Reliability Standards.
2. 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 MRO Board of Directors can adopt the NERC Reliability Standard as a MRO Reliability Standard without penalties for non-compliance. In this case, however, sanctions for violation of this NERC Reliability Standard 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 the MRO will follow to determine how a NERC Reliability Standard will be treated.

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

The SC will review each new or modified NERC Reliability Standard and make a recommendation to the MRO Board of Directors on whether to adopt it as a MRO Reliability Standard or not. If the new NERC Reliability Standard is to replace a previously adopted NERC Reliability Standard, the recommendation will be whether or not to replace the existing MRO Reliability Standard. If NERC withdraws a Reliability Standard the MRO has previously adopted, the SC will make a recommendation to the MRO Board of Directors on whether or not to withdraw the MRO Reliability Standard.

Step 2 - Adoption of the NERC Reliability Standard by the Board

The MRO Board of Directors will consider any advice offered by the 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 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 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. A 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), showing the final status. If the recommendation is to withdraw a MRO Reliability Standard, the MRO Board of Directors will provide reasons for not withdrawing it if that is their choice. The withdrawal of a MRO Reliability Standard will be publicly posted and will be removed as a MRO Reliability Standard on the date specified by the MRO Board of Directors.

Step 3 - Implementation of Organization Standard

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Comment: Perhaps the Bylaws need to change wording from "Organizational Standards" to "MRO Reliability Standards"???

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Once the MRO Board of Directors adopts a NERC Reliability Standard as a 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 MRO Reliability Standard will then be monitored by the MRO Compliance Committee to oversee the implementation and assess the effectiveness of the MRO Reliability Standard. After adoption of a MRO Reliability Standard, the standard will be forwarded to the Compliance Manager for implementation.

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MRO Reliability Standards Consensus Development Process

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Overview

The MRO process for development of MRO Reliability Standards other than those adopted directly from the NERC Reliability Standards is illustrated in the Process Diagram on page _____ and has the following characteristics:

Comment: Is the intent to use this process for all MRO Reliability Standards other than those simply adopted directly from NERC ... or only for those which are to be categorized as NERC Regional Reliability Standards or Differences?

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- **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 region-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.

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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 Reliability 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.

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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. 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.

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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 at the next regular posting interval for the purpose of soliciting public comments. The Standards Process Manager shall also send the SAR 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.

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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

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.*

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 an effort to resolve all expressed objections, and shall advise each objector of the disposition of the objection and the reasons therefore. In addition, the Standards Process Manager shall inform each objector that an appeals process exists within the MRO standards process.~~

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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 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

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.

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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.~~

Comment: Is this paragraph still current with how we plan to handle with the Standards Subcommittee?

~~This team shall consist of a small group of people who collectively have the necessary technical expertise and work process skills.~~

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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. ~~The Standards Process Manager shall post the new or revised standard for public comment once this review is completed.~~

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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.

Comment: Of whom and by whom?

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, and shall advise each objector of the disposition of its objection and the reasons therefore and shall publicly post the responses. In addition, the Standards Process Manager shall inform each objector that an appeals process exists within the MRO standards process.

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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.

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Step 9 - Ballot the New or Revised Standard

If the Standard Drafting Team decides 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.

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 MRQ Reliability Standard or revision to a MRQ Reliability 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
- An affirmative vote from at least two-thirds of segments vote 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 that an appeals process exists within the MRO 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.

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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 shall re-survey the Ballot Body to establish interest in participating in a ballot on the standard.

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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.

Comment: Note that NERC is 10 days on this.

Comment: While a 30-day posting is not required ... should there be some other specification for a posting requirement here? It is a re-circulation ballot, but does that mean that no notice is required whatsoever?

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.

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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 and present it to the MRO Board of Directors for adoption by MRO.

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

A MRO Reliability 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

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meeting, the MRO Board of Directors shall consider adoption of the proposed 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 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 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, showing the final status.

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Step 11 - Implementation of the MRO Reliability Standard

Once a MRO 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 MRO Reliability Standard will then be monitored by the MRO Compliance Committee to oversee the implementation and assess the effectiveness of the 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 Reliability Standard, the Standards Process Manager shall forward the standard to the Compliance Program Manager for implementation.

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Filing of Organization Standards with Regulatory Agencies

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

- Comment: Is this the party that should be responsible for making the required filings?
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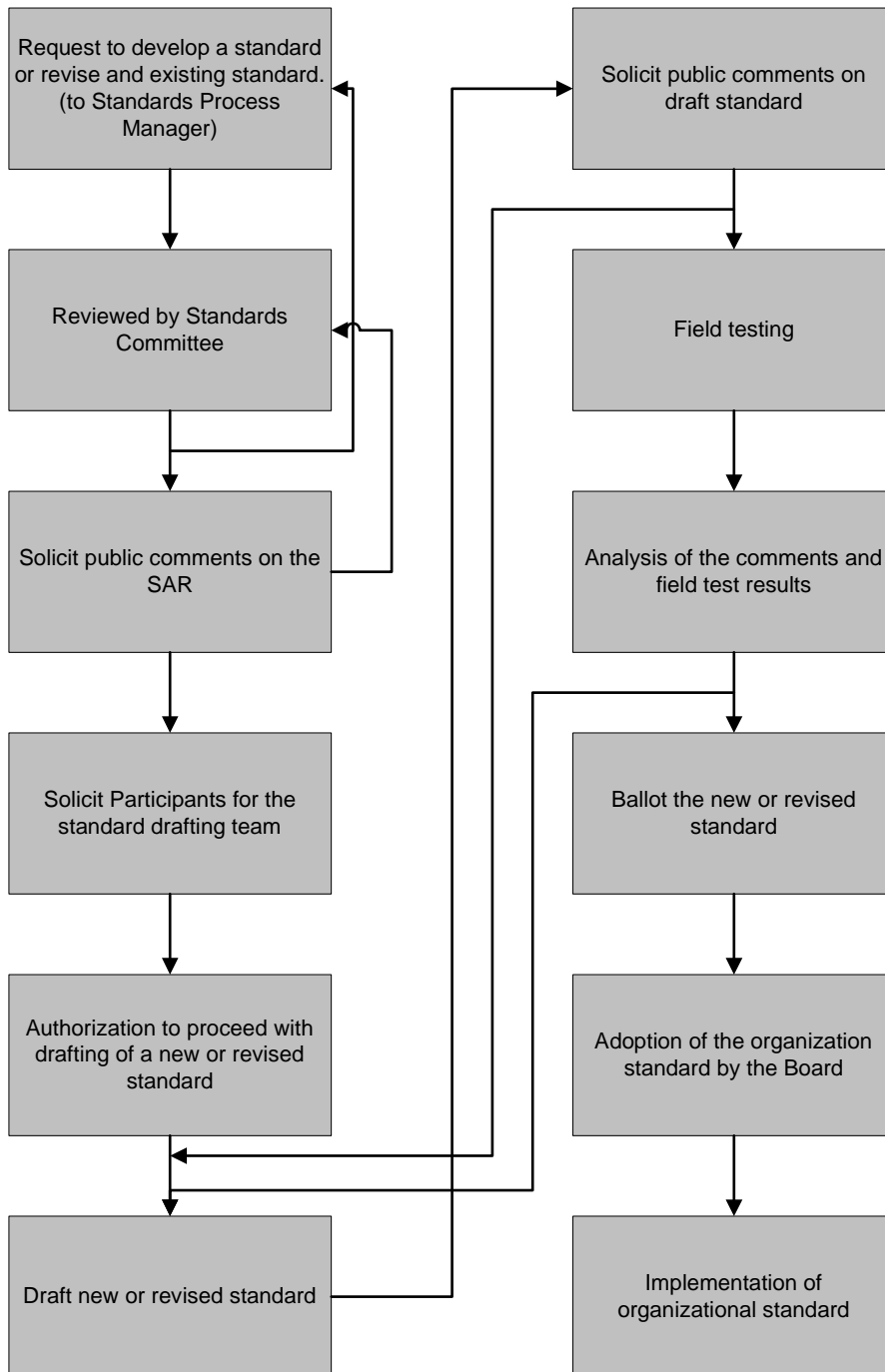
Consideration for Submittal as a Regional Difference

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

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Comment: Notes on the Process Diagram: Each box should have the appropriate Step # shown. Also it would be helpful to show who is responsible to take the action required in each box. The "Balloting" box should have a recirculation loop.

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.

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The Standards Process Manager shall assemble a team with the relevant expertise to address the clarification.

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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.

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Appeals

Persons who have directly and materially affected interests and who have been or will be adversely affected by any substantive or procedural action or inaction related to the development, approval, revision, reaffirmation, or withdrawal of a MRO Reliability Standard shall have the right to appeal. This appeals process applies only to the MRO Reliability Standards process as defined in this manual.

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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 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.

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Level 2 Appeal

If, after the Level 1 Appeal the appellant remains unsatisfied with the resolution, as indicates ~~such~~ 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.

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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 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 ~~a 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.

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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 ~~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~~ Standard in question.

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Maintenance of ~~MRO Reliability~~ Standards and Process

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Process Revisions

A request to change this ~~MRO Reliability~~ Standards Process Manual shall begin with the preparation of a SAR and be handled using the same procedure as a request to revise ~~a MRO Reliability~~ Standard, with the exception that a single ballot without regard to negative comments of the Ballot Body ~~shall~~ 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.

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Comment: This seems to be an extremely cumbersome process for what could be minor improvements to the wording or process flow. Perhaps it would make sense to require the process to be used only for changes involving the section on the MRO Reliability Standards Consensus Development Process ... or enable the SC to recommend changes directly to the MRO Board of Directors and give the MRO Board of Directors the discretion to determine whether or not such changes are substantial enough to require going through the posting process. Another approach would be to make the Appendices be changeable by the MRO Board of Directors upon the recommendation of the Standards Committee without going through the full blown process.

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Five-Year Review

Each 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 MRO Reliability Standards.

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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 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 Standard, including public comments received during the development and approval process. This information shall be available through public Internet access at www.midwestreliability.org.

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Archived Standards Information

The Standards Process Manager shall be responsible for maintaining a historical record of MRO Reliability Standards information that is no longer maintained on-line. For example, this requirement would apply to standards that expired or were replaced 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 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.

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Numbering System

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

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Supporting Documents

The following table identifies documents that may be developed to support a 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 must be incorporated into the standard. For example, a procedure that must be followed as written must be incorporated into a MRO Reliability Standard. If the procedure defines one way, but not necessarily the only way, to implement a standard it is more appropriately a reference.

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

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Comment: Are the "Organization and Market Interface Principles" actually listed somewhere? If not, perhaps a more generic reference to "consistent with reliability and competitive markets" would be appropriate.

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Appendix A – Information in a Standard Authorization Request

The table below provides a template for information to be included 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

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Comment: This seems to indicate that revising Appendix A would not require a SAR. This seems appropriate, but should be consistent with the requirements of the "Process Revisions" section of this manual.

SAR Requestor Information

Name	SAR Type (Check box for one of these selections.)	
Company		New Standard
Telephone		Revision to Existing Standard
Fax		Withdrawal of Existing Standard
E-mail		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	Owens 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	Owens 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

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 shall 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.

Comment: Is this the appropriate person ... or should it be the Standards Process Manager?

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All registrations shall be done electronically.

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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 shall 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.

Comment: By whom?

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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

- a. Authorized by appropriate regulator to operate as RTO or ISO within or adjacent to the MRO.
- b. Reliability Coordinators within or adjacent to the MRO.
- c. 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 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.

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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				

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.

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as defined by NERC and developed through the MRO organization standards consensus development process or a

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The NERC Reliability Standards Process is open and fair and allows all interested parties to participate.

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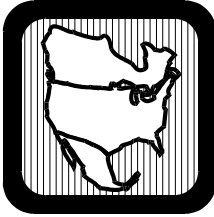
In accordance with the MRO bylaws, a NERC Reliability Standard must first be adopted as an Organization Standard by the MRO to be enforced with penalties for non-compliance.

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NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Compliance and Certification Committee (CCC)

March 29–30, 2005
Nashville, Tennessee

Meeting Highlights

Appeals Process — Provided comments to the Enforcement, Sanctions, and Disclosure Subcommittee (ESDS) in addition to the industry response to those comments currently being sought from the posting of the Appeals Process. The ESDS will take all comments and draft another version of the process for CCC to review in mid-April with a goal of sending it to the NERC board for approval in May.

Readiness Audit Procedure — Provided additional review and input into the Readiness Audit Procedure. The CCC will hold a conference call at a later date to approve the procedure before submitting it to the NERC board for approval.

Violation Risk Assessment — Reviewed the application of 2004 violations to test the effectiveness of a proposed method that attaches levels of significance to violations that are reported to the NERC board and posted publicly. This method will provide context to each violation allowing a better understanding of the significance of a violation and its impact on reliability.

Confidentiality Agreements — Continuing to encourage all CCC members to sign the confidentiality agreement that allows the CCC members to analyze and assess confidential information and to participate in the appeals process. Agreements for other NERC committees and groups to analyze and assess confidential information are also in the process of being developed and executed.

Organization Certification Working Group — Approved the new OCWG scope to expand its membership and responsibilities. The CCC also directed the OCWG to work with the Compliance Audit Subcommittee to finish developing the Organization Certification Procedures that were removed from the Organization Certification Standards. These procedures will go through industry comment. The CCC will soon solicit additional members for the OCWG.

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2006 CCC Work Plan — Addressed programs and projects that the CCC will likely take on in 2006 as part of the NERC 2006 Business Plan and Budgeting process. Organization certification and cyber-security compliance are two large projects that will be on the horizon.

BACAS Funding Issues — Listen to and discussed the presentations from WECC and Hydro-Québec regarding NERC funding complaints that relate to readiness audits and the compliance enforcement program. The CCC will provide final comments to the Budget and Cost Allocation Subcommittee for its consideration when setting up funding for 2006.



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Compliance and Certification Committee

March 29–30, 2005
Nashville, Tennessee

Draft Meeting Minutes

Welcome and Introductions

Robert Harbour, Chair of the Compliance and Certification Committee (CCC), welcomed everyone to Nashville. Mr. Harbour thanked the members for attending the called meeting on March 29 at 4:20 p.m. on such short notice. The goal of the short meeting was to act on administrative items to open more time for the action and discussion items during the March 30 portion of the meeting.

The meeting attendees introduced themselves and registered on the sign-in sheet. The NERC Antitrust Compliance Guidelines were reviewed and all in attendance acknowledged them. The meeting notice, agenda, and attendance list are attached as **Exhibits A, B, and C**, respectively. A quorum was declared present to conduct business. Mr. Harbour asked the CCC to tentatively approve items in the evening session and then fully approve them in a consent agenda for March 30.

Approval of December 13–14, 2004 Meeting Minutes

In a straw vote, minutes from the previous meeting were approved as presented. The vote will be reaffirmed on Wednesday morning.

Budget Assessment and Cost Allocation Subcommittee Request for Comments on WECC and Hydro-Québec Funding

Dave Hilt prepared the CCC for the formal presentation in the later session. He outlined the issues behind the requests and the presentations by WECC and Hydro-Québec.

Regional Compliance Enforcement Program Audit Staffing

Ed Ruck of the NERC Staff sought a CCC volunteer for the SPP Compliance Enforcement Program (CEP) Audit in June. Gerry Steffens volunteered to serve. NERC staff will bring a 2006 schedule to the next meeting to get volunteers for the regional CEP audits and the readiness audits of reliability coordinators.

Upcoming Meetings

Mr. Harbour noted that with the Market Committee dissolution, its meeting time with the Planning Committee (PC) and the Operating Committee (OC) was open. The Technical Steering Committee (TSC) sought to have the CCC meet with the PC and the OC.

Three CCC members who also serve on the Planning Committee or Operating Committee were concerned about possible overlap of meetings. After discussion, the CCC reaffirmed its need for independence from

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the PC and the OC for compliance purposes. Members agreed that CCC work and processes are more closely related to those of the Standards Authorization Committee (SAC) and the Compliance and Certification Mangers Committee (CCMC).

In a straw vote, the CCC agreed to align the CCC meeting schedule with those of the SAC and the CCMC. The vote will be reaffirmed on Wednesday morning.

The CCC further agreed to extend the length of its meetings to one and one-half days to allow time to discuss policy items. The remaining 2005 meetings were also reaffirmed. The CCC members were asked by Mr. Harbour to select dates and locations for 2006 at the next meeting.

2005 CCC/CCMC Work Plan and 2006 Business Plan

NERC senior staff is seeking input into the 2006 NERC Business Plan. This early request is due to an earlier NERC budget approval process.

Wally Johnson introduced what the Compliance and Certification Executive Committee proposed for CCC and CCMC work in 2006. A full discussion was planned for the joint session with the CCMC.

Organization Certification Working Group Scope Revision

Lucius Burris reported on behalf of the OCWG that a new scope had been developed to increase the size of the Organization Certification Working Group (OCWG) and include regional representation. The Compliance Audit Subcommittee (CAS) made several amendments to the scope during its meeting. In a straw vote, the CCC approved the amended version of the scope. That vote will be reaffirmed Wednesday morning.

Mr. Burris presented the proposed timeline for the transition plan to organization certification. Assuming the three organization certification standards under development are approved by the end of 2005, entities will register in January 2006 to the functional model. The CCC approved the timeline recommended by the CAS in a straw vote to be reaffirmed Wednesday morning.

Stan Kopman moved that the CAS and OCWG be assigned the responsibility of developing the administrative procedures for implementing organization certification. The CCC approved the motion in a straw vote to be reaffirmed Wednesday morning.

Ed Schwerdt of NPCC, on behalf of the regional managers, noted that the ten regions provided explanations for how each region registered its entities for the Version 0 standards and suggested that the CCC should assess the registration process. After discussion, the CCC noted that it agrees with the method used by Dave Hilt and Gerry Cauley to register entities for the Version 0 standards. The CCC will not take further action.

Mr. Harbour adjourned the meeting at 6:10 p.m. until the morning session.

Wednesday, March 30, 2005

After a joint meeting with the CCMC, Chairman Harbour opened the CCC meeting at 10:05 a.m. with a quorum.

Meeting Minutes

Ted Hobson moved to formally approve the meeting minutes for the December 13–14, 2004 meeting that were tentatively approved on March 29. The motion was approved with no dissent or discussion (**Exhibit D**).

OCWG Scope and Organization Certification Timeline

Draft Compliance and Certification Committee Meeting Minutes
March 29–30, 2005

Earl Cass moved to formally approve the three OCWG-related motions from the previous day that were approved with straw votes. The motions were:

1. Approve the amended version of the OCWG scope (**Exhibit E**)
2. Approve the timeline for implementing organization certification recommended by the CAS (**Exhibit F**)
3. Assign to the CAS and OCWG the responsibility of developing the administrative procedures for implementing organization certification

The motion carried with no discussion or dissent, all three motions were approved.

Future Meetings

Gerry Steffens moved that in future meetings the CCC and its subcommittees meet for a full day and a half, and beginning in 2006 align the meetings with those of the SAC and the CCMC. The motion was approved.

The CCC will meet as subcommittees for the first half day, then meet in full committee for the remainder of the meeting time. The meetings will run 8 a.m. to 5 p.m. on the first day, and 8 a.m. to noon on the second day.

With the subcommittees meeting just prior to the CCC, concerns were raised about the lack of time to consider substantial changes made to documents in subcommittee. The CCC agreed to discuss but not approve those documents in the regular meeting. Instead, the CCC will adopt a practice of holding a conference call two weeks after the regular meeting to approve documents substantially modified in subcommittee meetings.

The CCC and subcommittee officers will hold a conference call to plan the CCC agenda three weeks prior to the regular meeting.

Budget Assessment and Cost Allocation Subcommittee Request for Comment on Funding Issues

Ed Schwerdt, chair of the Budget Assessment and Cost Allocation Subcommittee (BACAS), presented the background for the WECC and Hydro Québec funding issues (**Exhibit G**). The BACAS sought input from the CCC to resolve disputes regarding funding for readiness audits.

Eddy Lim presented WECC's concerns that the NERC Readiness Audit Program is redundant with the existing WECC Compliance Review Program (**Exhibit H**) and adds unneeded costs to WECC members. Ed Schwerdt presented the Hydro Québec position that all audit costs should be borne by the audited entity with incentives for good performance, such as a longer time between audits (**Exhibit I**).

After many questions and much discussion, the CCC concluded that maintaining separate audit programs as WECC proposes raises a technical concern. The NERC Readiness Audit Program is structured to have multi-regional representation and share examples of excellence throughout North America through multi-regional participation. Limiting the process to a single region or interconnection such as WECC limits the experience on the team and the distribution of reliability practices across regional and interconnection boundaries. The WECC compliance review also combines compliance and readiness audits at a time when NERC is trying to separate the two programs due to the different focus of each.

The CCC commented that the Hydro Québec concern is essentially a regional funding issue. The CCC feels that extending the review cycle beyond three years, even for good performers, is not acceptable. Rather, more frequent audits would be required of poor performers.

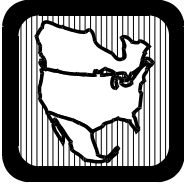
The CCC directed the CAS to develop a report for the CCC to send to the BACAS documenting the recommendations heard at the meeting. This report is to be sent to the BACAS by April 7.

Readiness Audit Procedure

Ted Hobson reviewed the changes made to the Readiness Audit Procedure with input from the CCMC during the joint meeting directly prior to the CCC meeting. The CCC postponed the vote on the procedure to allow time to review the changes. A conference call was scheduled for Friday, April 15 to discuss and approve the readiness audit procedure, the appeals process, and the CCC scope. Marty Sidor will confirm the time and send out a meeting agenda and materials prior to the call.

Adjournment

With no further business, Chairman Bob Harbour adjourned the meeting at 11:55 a.m.



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

Compliance and Certification Committee (CCC)

March 29, 2005 (5–7 pm)
March 30, 2005 (10:00 am–noon)

Gaylord Opryland Resort and Convention Center
2800 Opryland Drive
Nashville, TN 37214
888-777-6779

Meeting Agenda

- | | | |
|----|---|---------------|
| 1. | Welcome, Introductions, and CCC roster update | Bob Harbour |
| 2. | Meeting Arrangements | Marty Sidor |
| | a. NERC Antitrust Guidelines (Attachment A) | |
| | b. Agenda review and changes | Bob Harbour |
| 3. | Approve Minutes of December 13-14, 2004 Meeting (Attachment B) | Bob Harbour |
| 4. | Control Area and Reliability Coordinator Readiness Audits | |
| | a. Readiness Audit Procedures (Attachment C) | Marty Sidor |
| | <i>Review revised procedures document for approval after CPPS and CAS consideration</i> | |
| | b. Appeals Process (Attachment D) | Stan Kopman |
| | <i>Discuss CCC approval process to posted document for May BOT meeting</i> | |
| 5. | BACAS Request for comments: WECC and HQ funding
(Attachments E, F) | Ed Limm |
| | <i>Provide comments to BACAS</i> | Ed Schwerdt |
| 6. | OCWG Items | Lucius Burris |
| | a. OCWG revised scope (Attachment G) | |
| | <i>Review and approve new scope after CAS consideration</i> | |
| | b. Transition Plan for Organization Certification (Attachment H) | |
| | <i>Review and approve updated transition plan after CAS consideration</i> | |

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7. CCC Scope Revision
Review and approve revision from CPPS Ted Hobson
8. 2005 CCC/CCMC Work Plan and 2006 Business Plan
Follow up discussion to the joint meeting Wally Johnson
9. Regional CEP Audit Schedule for 2005 (**Attachment I**)
Seek volunteers for remaining audits Ed Ruck
10. Upcoming Meetings (**Attachment J**)
Address future meeting times and logistics Bob Harbour
11. Review Action Items from the meeting Marty Sidor
12. Adjourn meeting Bob Harbour

Compliance and Certification Committee

March 30, 2005

Gaylord Opryland Resort and Convention Center

Nashville, TN

REGION	NAME	PHONE	E-MAIL
Cooperative Members Chair	Robert K. Harbour	717-901-4493	bob_harbour@ccsenergy.com
ERCOT	Larry D. Grimm	512-225-7025	lgrimm@ercot.com
FRCC	Ted E. Hobson	904-665-7126	hobste@jea.com
MAAC	Walter A. Johnson	301-469-5252	wajohnson@pepco.com
MAIN	John J. Blazekovich	630-691-4777	john.blazekovich@exeloncorp.com
MRO	Gerald Steffens	507-580-1607	gsteffens@rpu.org
NPCC	Stanley E. Kopman	212-840-1070	skopman@npcc.org
SERC	Shawn T. Abrams	843-761-4067	stabrams@santeecooper.com
SPP	Keith Comeaux	318-838-3176	keith.comeaux@cleco.com
WECC	Paul F. Arnold	360-418-2302	pfarnold@bpa.gov
Federal Utility Members	Earl Cass	605-882-7550	cass@wapa.gov
Investor Owned Utility Members	Lucius Burris	205-257-7179	lhburris@southernco.com
ISO/RTO Members	Gregory Campoli	518-356-6159	gcampoli@nyiso.com
State/Municipal	Joseph J. Krupar	407-355-7767	joe.krupar@fmpa.com
Transmission Dependent Utility Members	Stuart Nelson	512-369-4526	stuart.nelson@lcra.org
Regulator	Jerry D. Smith	602-542-7271	jsmith@cc.state.az.us
NERC	David W. Hilt	609-452-8060	david.hilt@nerc.net
NERC	Martin Sidor	609-452-8060	martin.sidor@nerc.net
NERC	Ed Ruck	609-452-8060	ed.ruck@nerc.net
Guest	Davin Dworzak	202-508-5687	ddowzak@eei.org

MRO Regional Compliance Enforcement Plan

For the NERC Compliance Program

2005

Introduction

This document describes the Regional Compliance Enforcement Plan (CEP) for the Midwest Reliability Organization (MRO). This plan will be used to meet the requirements of the North American Electric Reliability Council (NERC) 2005 Compliance Program.

Compliance will be measured to the MRO and NERC Standards as defined by the MRO Expectation Forms and the NERC Reliability Standards (aka Version Zero).

In addition to the established compliance program, Cyber Security will be assessed again in February of 2005 using a process almost exactly like that used in February of 2004.

References

- MAPP Compliance Website (http://www.mapp.org/content/compliance_index.shtml)
- MAPP Reliability Handbook (<http://www.mapp.org/content/reliabilityhandbook.shtml>)
- Current MAPP Expectation Forms
- MAPP Compliance Database Management System (http://www.mapp.org/content/compliance_db.shtml)

SECTION 1 – NERC COMPLIANCE ENFORCEMENT PROGRAM

A. Responsibilities

NERC

It is the responsibility of NERC to oversee the reliability of the bulk electric network in North America. NERC will ensure that there is a comparable and consistent plan for each Region to monitor compliance in that Region. The Regions are free to establish additional policies or standards as they see fit. However, this is in addition to and not in lieu of the NERC Compliance Enforcement Program.

NERC Guiding Principles for template selection for monitoring:

- All templates are subject to Regional audit at anytime with reasonable prior notification;
- All entities still non-compliant for any approved-as-final template as of 12/31/04 will be monitored for that template in 2005;
- Any template with a greater than 20% non-compliance will be monitored in 2005;
- Results will be reported using NERC Disclosure Guidelines

Region

Each Region has the responsibility to comply with NERC requirements. This includes the administrative function of compiling the required data and adequately staffing to support this program. The Region will be responsible for assembling a review team to perform comprehensive reliability reviews of its members.

Power System Users

Each entity shall be responsible for complying with the appropriate NERC Reliability Standards (Version Zero). This includes Control Area Operators, Transmission Dependent Utilities, Reliability Coordinators, Independent Power Producers, Load Serving Entities, etc.

B. NERC Compliance Program Overview

1. Key Reliability Elements

- Establishing Standards
- Measuring Performance Relative to Standards
- Ensuring Compliance with Standards (enforcement)
- Process for Appeals and Dispute Resolution (ADR)

2. Compliance Program Definition

“Process, procedures and timeline to be followed for ensuring compliance with the NERC Reliability Standards (Version Zero) by all electric industry participants.”

3. Compliance Program Processes

Compliance Review Process – Monitors or measures system quantities or performance to ensure compliance with the NERC Standards.

Enforcement Process – Evaluates compliance review results and administers an awards and sanctions program.

Disclosure - Standards violation reports will include the names of the violating party(ies). NERC will keep those names confidential until the violations are confirmed. See the NERC web site (www.nerc.com) for full documentation on Disclosure.

4. Who is Involved with Compliance

- NERC and its subgroups
- Regions and their members

- Other entities, including -
 - Transmission Owners, Operators and Providers
 - Transmission Customers
 - Generation Owners and Operators
 - Power Marketers
 - Load-serving Entities
 - Control Areas
 - Balancing Areas
 - Reliability Coordinators
 - Independent System Operators

SECTION 2 – MRO COMPLIANCE ENFORCEMENT PROGRAM

A. Introduction

This document describes the MRO Regional Compliance processes that will be used to monitor member compliance with the NERC Compliance Program Standards. Details of the MRO compliance monitoring process can be found in the Reliability Compliance Subcommittee section of the MAPP Reliability Handbook.

B. Opportunities for Improvement

Many issues and concerns have been addressed in the first years of the compliance program. Accordingly, many changes have been made to the NERC Compliance Program, and development continues.

In the MRO Region, the Compliance Database Management System (CDMS) was initiated in 2002 and continues to be used for Member input. CDMS functionality will continue to be improved and expanded. Development will continue on the compliance program to expand and refine its use.

C. Program Summary

Various standards will be assessed for compliance throughout the year. These will consist of all standards that have been approved as final by the NERC board of trustees, and those additional standards identified by NERC for inclusion in the 2005 program. MRO will also monitor data submittal requirements.

Attachment A contains the full list of measures subject to compliance review in 2005.

Note that measures have been included for the Cyber Security standard again this year. Submittals for this portion (only) of the 2005 CEP are due via CDMS **no later than February 25, 2005**. Cyber Security information will be sent out separately.

MRO will assess members for compliance on 45 standards for 2005, including the Vegetation Management requirement (FAC-003) which is referred to in the CDMS as P10T1. The NERC intent is for the new Reliability Standards (Version Zero) requirements to be the same measures that were included in the 2004 CEP, but updated to include language and definitions consistent with the Functional Model. Attachment A includes a mapping of old templates to the Reliability Standards (Version Zero).

In addition, MRO will require self-certification submittals from all members, including the MISO Reliability Coordinator, for measurements included in the new Cyber Security standard. This portion of the 2005 CEP will take place in the first quarter, with results reported to the NERC BOT in March of 2005.

Members undergoing an on-site Reliability Review in 2005 will be assessed for compliance with all applicable measures in the 2005 program.

Expectation Forms provide members with documentation that explains how compliance is achieved in the MRO Region for some NERC standards. Expectation Forms do not in any way change the intent of the NERC standards, but act to clarify specific details of compliance by MRO members.

The MRO compliance process will consist of:

- On-Site Reliability Reviews of selected Members in the Region,
- Monitoring data and data submittals over various time periods,
- Investigating those standards that are triggered by an event or complaint,
- Measuring applicable standards by self-certification, and
- A spot check of each company for compliance with at least one standard for which that company has claimed Fully Compliant status in their self certification response.

The MROCC will be responsible for disseminating information on new and revised requirements. This may be accomplished by committee reports, direct mailings to members, formal training/informational sessions, compliance web site, etc.

The MROCC, through the regional representatives, will provide reports to the NERC Compliance and Certification Manager's Committee (CCMC) and the Compliance and Certification Committee (CCC), as required by the NERC Compliance Program.

An MRO staff team will perform on-site Reliability Reviews of the region's control areas, such that all Control Areas are reviewed every three years. The review team, under the direction of the MROCC, will measure compliance with the standards in the annual CEP. The MRO Compliance Office (MCO) will notify the RCSC of compliance and assessment recommendations.

The MCO, acting independently, will forward recommendations to the MROCC to implement the MRO specific compliance and enforcement process. The MCO and MROCC will review and assess member mitigation plans for adequacy.

The MCO will serve as the single point of contact for requests for compliance information from NERC and questions from members, and coordinate as needed with other MRO committees.

See the full calendar of compliance events at www.mapp.org .

D. Periodic Monitoring

Periodic monitoring consists of monthly, quarterly, and annual data submittals. These submittals are monitored for timeliness and quality.

E. Self Certification Process

Compliance with the majority of templates will be measured through a self-assessment process. This will be accomplished through CDMS self-certification forms for each applicable measurement. Compliance Contacts will be notified of dates via email.

F. Spot Checks

Spot checks are made of individual members for at least one of the measurements for which compliance is claimed on the self-certification forms.

G. Reliability Reviews

NERC Review of Regions

Each year NERC reviews the Region's Compliance Plans and, on a periodic basis, NERC does an On-Site Review of a Region measuring compliance to that Region's program.

Reliability Review of Members

The on-site Reliability Review will be applicable to MRO members. These reviews will be used to determine compliance with applicable NERC and MRO standards. In 2005, Compliance Reviews will be held with approximately one-third of qualifying MRO members. Specifics of the review process can be found in the MAPP Reliability Handbook.

H. Mitigation Plans

Any member self-certifying non-compliance, or found non-compliant through data submittals or review, must submit a mitigation plan. The MCO will assess adequacy

of such plans. Members will be assisted in preparing their mitigation plans, if requested.

Any member self-certifying non-compliance shall submit a mitigation plan within 30 days of the date non-compliance was determined. All instances of non-compliance found through data submittals or reviews require a mitigation plan submittal within 30 days of notification of non-compliance, unless agreed otherwise by the MROCC.

The MCO will track mitigation plan submittals. Late submittals are subject to enforcement using the Late Submittal Enforcement Matrix in the Reliability Handbook.

I. Enforcement

Any alleged non-compliance with existing MRO and/or NERC Standards will be documented and submitted to the MROCC for enforcement. Such enforcement action will occur throughout the year as non-compliance is identified. Enforcement actions for non-compliance with MRO Standards, NERC Standards, or late submittals will follow the process defined in the MAPP Reliability Handbook.

J. Data Collection and Retention

The Compliance Database Management System (CDMS) has been highly successful, and will be used again in 2005 for data entry, reporting and archiving. The MCO will ensure all data, both hard copy and electronic, is maintained in a secure location. All data will be maintained for at least one complete compliance cycle.

SECTION 3 – 2005 COMPLIANCE ENFORCEMENT PLAN

A. Methods of Measurement

The NERC Compliance templates, MRO expectation documents, and MRO Self-Certification forms will be available on the MRO Compliance web page in the second quarter of the program year (http://www.mapp.org/content/compliance_index.shtml).

Attachment A lists the Standards in effect for this year.

B. Communications Plan

The following documentation will be posted on the MRO Compliance website at <http://www.mapp.org>

- MRO 2005 Compliance Enforcement Plan
- Electronic Rollout

- Expectation documents for 2005 Compliance Program
- Calendar of events and pertinent dates.

**Attachment A
2005 Compliance Program Measures**

Version Zero	Designation	Description
TPL-001-0 R1,2,3	IA.M1	System Performance Studies - Normal Conditions
TPL-002-0R1,3,4,5	IA.M2	Sys Performance Studies - Single Contingency
TPL-003-0R1,2,3	IA.M3	Sys Performance Studies - Multiple Contingencies
TPL-004-0 R1,2	IA.M4	Sys Performance Studies - Extreme
TPL-005-0 R1,2,3	IB.M1	Regional & Interregional reliab. self assessment
TPL-006-0 R1	IB.M2	Assessment Data from RRO's
FAC-001-0 R1,2,3	IC.M1	Facility Connection Requirements
PRC-002-0 R1,2	IF.M1	Regional Disturbance Monitoring Equip Plan
MOD-010-0 R1,2	IIA.M1	Steady State Data for Transmission System
MOD-011-0 R1,2	IIA.M2	Regional Steady State Data Req & Reporting Procedures
MOD-012-0 R1,2	IIA.M3	Dynamics Data for Transmission Modeling & Simulation
MOD-013-0 R1,2	IIA.M4	RRO Dynamics Data Req & Reporting Procedures
MOD-014-0 R1,2	IIA.M5	Develop Interconnection Specific Steady State Models
MOD-015-0 R1,2	IIA.M6	Develop Interconnection Specific Dynamic Models
FAC-004-0 R1,2	IIC.M2	Electric facility methodology for System Modeling
MOD-016-0 R1,2	IID.M1	Actual & Forecast Demands, NEL, Controllable DSM
PRC-005-0 R1,2	IIIA.M4	Member has Xms relay testing & mtc plan
PRC-004-0 R1,2	IIIA.M5	Member analyzes & reports Xms protection misops
PRC-007-0 R1,2,3	IIID.M2	Member UFLS consistent w/Region
PRC-008-0 R1,2	IIID.M3	Member UFLS testing & mtc
PRC-009-0 R1,2	IIID.M4	Member Doc & analyze UFLS ops
PRC-011-0 R1,2	IIIE.M4	Member UVLS System mtc & testing
PRC-014-0 R1,2,3	IIIF.M3	System Protection System Assessment
PRC-016-0 R1,2,3	IIIF.M5	Member Document & analyze SPS Misoperations
PRC-017-0 R1,2	IIIF.M6	Member SPS testing & mtc
EOP-009-0 R1,2	IVA.M4	Member black start unit test results
BAL-001-0, R1,2	P1T1	Member CPS1 & CPS2 performance
BAL-002-0, R4	P1T2	Member DCS performance
TOP-00700, R1,2	P2T1	Member returns IRL or SOL within 30 minutes and rpts violations to RC
TOP-007-0, R4	P2T2	RC evaluates IRL
INT-001-0, R2,4	P3T3	Member Interchange tagging
TOP-005-0, R1,2	P4T2	Member provides RC with all reliability info

TOP-002-0, R4 TOP-003-0, R1	P4T4	requested Member coordinates normal ops planning w/neighbors & RC, and rpt planned gen & xms info to RC
EOP-002-0, R2,3 EOP-001-0, R4 EOP-005-0, R1	P5T1 P6T1 P6T2	Member follows Cap & Energy plans Member Cap & Energy plan includes required items Member Restoration plan includes required elements
EOP-008-0, R1	P6T3	Member plans for loss of Control Center functionality
PER-001-0, R1	P8T1	Member has SO authority included in Job Description
PER-003-0, R1 PER-004-0, R1	P8T2	Member has NERC certified operators on all shifts that have direct responsibility 1) for BES or 2)for NERC stds
PER-002-0 R1,2,3,4 PER-004-0 R2	P8T3	Member TO's & BA's trn program complies, 5 days of emerg trn. annually, adequate trained staff RC operators must have annual 5 days emerg trn.
IRO-004-0 R1,2,3 IRO-006-0 R1,3,4,5	P9T1 P9T2	RC performs next day analysis RC relieves xms loading, acts on TLR req of another RC
IRO-001-0, R3 EOP-002-0, R9	P9T3 P9T4	RC has authority to direct ops RC must issue Energy alert as required
FAC-003-0 R1,2	P10T1	Member must have VM Plan, follow plan, & report trips

Note: All entities still non-compliant for any template as of 12/31/04 will be monitored for that template in 2005.

CYBER SECURITY STANDARDS

MRO and NERC Cyber Security 2005 Compliance Enforcement Program

For the 2005 CEP, NERC has directed that the same 16 Cyber Security items that were in the 2004 CEP be followed again in 2005. The permanent Cyber Security standard is presently planned for the 2006 CEP.

Again in 2005, this information will be in the form of a "snapshot" to be assessed of your individual cyber security situation **as of February 15, 2005**. NERC originally directed all utilities to be substantially in compliance with the cyber measures by 2005, so it is expected that the February 2005 snapshot will indicate considerable improvement for those not in compliance in 2004.

There will be no penalties assessed for non-compliance in 2005.

NOTE - For each item on which you remain non-compliant, please indicate:

- a) reasons that you are not yet compliant or that this particular item does not apply to your company, and
- b) if you have developed a Mitigation Plan for correcting the noncompliance.

Confidentiality - Please understand that all individual responses will be held in confidence by the MRO Staff. The only thing to be sent to NERC will be a generic summary of the responses, with no entity names included.

Please send completed forms via CDMS **no later than Friday, February 25, 2005**.

1201 — Cyber Security Policy

Measures Checklist

- (1) The responsible entity shall maintain its written cyber security policy stating the entity's commitment to protect critical cyber assets.
- (2) The responsible entity shall review the cyber security policy at least annually.
- (3) The current senior management official responsible for the cyber security program shall be identified by name, title, phone, address, and date of designation.
- (4) The responsible entity shall maintain documentation justifying any deviations or exemptions authorized by the current senior management official responsible for the cyber security program.

100% Compliant _____

Noncompliant

- (A) A current senior management official was not designated _____
- (B) No cyber security policy exists. _____
- (C) Both _____

1202 — Critical Cyber Assets

Measures Checklist

- (1) The responsible entity shall maintain a document identifying critical cyber assets.
- (2) The responsible entity shall review and update its critical cyber asset identification document at least annually or within 90 days of the addition or removal of any critical cyber assets.

100% Compliant _____

Noncompliant

- (A) No document exists. _____

1203 — Electronic Security Perimeter

Measures Checklist

- (1) The responsible entity shall maintain a document depicting the electronic security perimeter(s), all interconnected critical cyber assets, and all electronic access points to the interconnected environment(s). The document shall verify that all critical cyber assets are within the electronic security perimeter(s).
- (2) The responsible entity shall review and update its document referenced in 1203.2.1 at least annually or within 90 days of the modification of the network.

100% Compliant _____

Noncompliant

- (1) Document exists, but no verification that all critical assets are within the perimeter(s) described. _____
- (2) No document exists. _____

1204 — Electronic Access Controls

Measures Checklist

- (1) The responsible entity shall maintain a document identifying the access controls and their implementation for each electronic access point to the electronic security perimeter(s).
- (2) The responsible entity shall review and update the documentation referenced in 1204.2.1 at least annually or within 90 days of the modification of the electronic security perimeter or the electronic access controls.

100% Compliant _____

Noncompliant

- (1) Document exists, but the document does not identify the electronic access controls for one or more access points. _____
- (2) No document exists. _____

1205 — Physical Security Perimeter

Measures Checklist

- (1) The responsible entity shall maintain a document depicting the physical security perimeter(s) and all physical access points to every such perimeter. The document shall verify that all critical cyber assets are within the physical security perimeter(s).
- (2) The responsible entity shall review and update the document referenced in 1205.2.1 at least annually or within 90 days of the modification of the network.

100% Compliant _____

Noncompliant

- (A) Document exists, but no verification that all critical cyber assets are within the perimeter(s) described. _____
- (B) No document exists. _____

1206 — Physical Access Controls

Measures Checklist

- (1) The responsible entity shall maintain a document identifying the access controls and their implementation for each physical access point to the electronic security perimeter(s).
- (2) The responsible entity shall review and update the documentation referenced in 1206.2.1 at least annually or within 90 days of the modification of the physical security perimeter(s) or the physical access controls.

100% Compliant _____

Noncompliant

- (1) Document exists, but the document does not identify the physical access controls for one or more access points. _____
- (2) No document exists. _____

1207 — Personnel

Measures Checklist

- (1) The responsible entity shall maintain a list of all personnel granted access to critical cyber assets, including the specific electronic and physical access rights to the security perimeter(s).
- (2) The responsible entity shall review the document referred to in 1207.2.1 at least quarterly and update the document within 24 hours of any change.
- (3) The responsible entity shall conduct background screening of personnel consistent with the degree of access they are granted, in accordance with federal, state, provincial, and local laws.

100% Compliant _____

Noncompliant

- (1A) Access control rights list is available, but does not include service vendors _____
- (1B) No personnel background screening conducted. _____

(2) Access control rights list does not exist. _____

1208 — Monitoring Physical Access

Measures Checklist

- (1) The responsible entity shall maintain a document identifying its tools and procedures for physical access monitoring. This document shall verify that the tools and procedures are functioning and being used as planned.
- (2) The responsible entity shall document physical access to critical cyber assets via access records (e.g., logs). Access records shall be verified against the list of access control rights or controlled by video or other physical monitoring.

100% Compliant _____

Noncompliant

No monitoring of access exists. _____

1209 — Monitoring Electronic Access

Measures Checklist

- (1) The responsible entity shall maintain a document identifying electronic access monitoring tools and procedures. This document shall verify that the tools and procedures are functioning and being used as planned.
- (2) The responsible entity shall document electronic access to critical cyber assets via access records (e.g., logs). Access records shall be verified against the list of access control rights.

100% Compliant _____

Noncompliant

No monitoring of access exists _____

1210 — Information Protection

Measures Checklist

- (1) The responsible entity shall maintain a document identifying the access limitations to sensitive information related to critical cyber assets. At a minimum, this document must address access to procedures, critical asset inventories, maps, floor plans, equipment layouts and configurations.
- (2) The responsible entity shall review and update the document referred to in 1210.2.1 as necessary and at least annually.

100% Compliant _____

Noncompliant

- (A) Document exists, but does not cover one of the specific items identified. _____
- (B) Document exists, but does not cover three of the specific items identified. _____
- (C) No document exists. _____

1211 — Training

Measures Checklist

- (1) The responsible entity shall develop and maintain a company-specific cyber security training program that includes, at a minimum, the following required items:
 - The cyber security policy;
 - Physical and electronic access controls to critical cyber assets;
 - The release of critical cyber asset information;
 - Potential threat incident reporting; and
 - Action plans and procedures to recover or re-establish critical cyber assets following a cyber security incident.
- (2) The responsible entity shall maintain a document identifying all personnel who have access to critical cyber assets and the date of the successful completion of their training.
- (3) The responsible entity shall document that it has reviewed its training program at least annually.

100% Compliant _____

Noncompliant

- (A) Training program exists, but records of training either do not exist or reveal some key personnel not trained as required. _____
- (B) Training program exists, but does not cover one of the specific items identified. _____
- (C) Document exists, but does not cover two of the specific items identified. _____
- (D) No training program exists addressing critical cyber assets. _____

1212 — Systems Management

Measures Checklist

- (1) The responsible entity shall maintain a document identifying system management policies and procedures.
- (2) The responsible entity shall review and update the document referred to in 1212.2.1 as necessary and at least annually.
- (3) The system management policies and procedures document shall address all items in requirement 1212.1.
- (4) The responsible entity shall implement system management policies and procedures as described in the system management policies and procedures document.

100% Compliant _____

Noncompliant

- (A) Document exists, but does not cover one of the specific items identified. _____
- (B) Document exists, but does not cover three of the specific items identified. _____
- (C) Document exists, but does not cover five of the

specific items identified. _____
(D) No document exists. _____

1213 — Test Procedures

Measures Checklist

- (1) The responsible entity shall maintain a document identifying test and acceptance criteria for the installation or modification of critical cyber assets.
- (2) The responsible entity shall maintain a document verifying that it has implemented the test and acceptance criteria.

100% Compliant _____

Noncompliant

Test procedures and acceptance criteria document does not exist. _____

1214 — Electronic Incident Response Actions

Measures Checklist

- (1) The responsible entity shall maintain a document defining the electronic incident response action, including actions, roles and responsibilities.
- (2) The document in 1214.2.1 shall require that incidents involving critical cyber assets shall be reported to the electricity sector information sharing and analysis center in accordance with the *NERC-NIPC Indications, Analysis, Warnings Program Standard Operating Procedure*.

100% Compliant _____

Noncompliant

- (1A) Document exists, but does not assign responsibilities; or _____
- (1B) Document exists, but does not require that incidents involving critical cyber assets shall be reported to the electricity sector information sharing and analysis center in accordance with the *NERC-NIPC Indications, Analysis, Warnings Program Standard Operating Procedure*. _____
- (2) No document exists. _____

1215 — Physical Incident Response Actions

Measures Checklist

- (1) The responsible entity shall maintain a document defining the physical incident response action, including actions, roles and responsibilities.
- (2) The document in 1215.2.1 shall require that incidents involving physical assets used to protect critical cyber assets shall be reported to the electricity sector information sharing and analysis center in accordance with the *NERC-NIPC Indications, Analysis, Warnings Program Standard Operating Procedure*.

100% Compliant _____

Noncompliant

- (1A) Document exists, but does not assign responsibilities _____
- (1B) Document exists, but does not require that incidents involving physical assets used to protect critical cyber assets shall be reported to the electricity sector information sharing and analysis center in accordance with the *NERC-NIPC Indications, Analysis, Warnings Program Standard Operating Procedure.* _____
- (2) No document exists. _____

1216 — Recovery Plans

Measures Checklist

- (1) The responsible entity shall maintain a document defining the action plan and procedures used to recover or re-establish critical cyber assets following a cyber security event, including actions, roles and responsibilities.
- (2) The responsible entity shall maintain a document verifying that the action plan is exercised via drill at least annually.

100% Compliant _____

Noncompliant

- (1) Action plans and procedures do not define specific roles and responsibilities. _____
- (2) No action plans of procedures exist. _____

Standards Committee 2005 Activities List

Activities for 2005:	Status:	Assigned To:
<p>The SC is preparing a cross-reference table to be used with the MRO transition standards once the NERC Version 0 standards are in force. This is needed because the MAPP specific standards that become the transition standards are written to be consistent with the current NERC standards. The format and function names have been significantly changed in the Version 0 Standards.</p>	<p>This is complete and the table is posted on MRO website.</p>	
<p>The SC will make a recommendation to the Board concerning the adoption of the NERC Version 0 Standards as organization Standards.</p>	<p>The Board has adopted the NERC Version 0 standards as MRO Standards at the recommendation of the SC.</p>	
<p>The primary activity of the SC in 2005 will be to develop Organization Standards. The SC has started this process by identifying all of the requirements of the Version 0 Standards that pertain to the Regional Reliability Organization.</p>	<p>The SAR for the initial set of MRO Standards has been approved. A SDT has been formed and has started the process of drafting a set of MRO standards to be used in the 2006 compliance program.</p>	
<p>The primary activity of the SC in 2005 will be to develop Organization Standards. The SC has started this process by identifying all of the requirements of the Version 0 Standards that pertain to the Regional Reliability Organization.</p>	<p>The SAR for the initial set of MRO Standards has been approved. A SDT has been formed and has started the process of drafting a set of MRO standards to be used in the 2006 compliance program.</p>	
<p>The SC is determining what procedures are required by the NERC standards and assigning them to the appropriate MRO committees.</p>	<p>The initial identification of required procedures has been completed.</p>	

Standards Committee 2005 Activities List (continued)		
Activities for 2005:	Status:	Assigned To:
The SC will work with the MRO Compliance Office to establish administration procedures for certification of functional organizations once NERC certification standards are approved.	The initial registration procedure has been completed. The certification procedures will be developed once the NERC standards on certification are adopted by the NERC Board of Trustees.	
The SC is working with staff to start Ballot Body registration and arrange to use the NERC posting, commenting and voting mechanism for Organization Standards.	Staff is working with NERC on this.	
The SC is reviewing the Standards Process Manual to determine if modifications should be recommended.	The review has started and changes to the NERC Standards Process Manual are being monitored.	
Addition: Develop a Regional Handbook	Compile standards section of the Regional Handbook	

Status Report Regarding the NERC Standards Review Subcommittee (NSRS)

Provided for the MRO Standards Committee
May, 2005

Since the previous MRO SC meeting, the NSRS has submitted comments on behalf of the MRO on the following NERC SARs and Standards, and FERC NOPR that were out for comment:

- Resource Adequacy Assessments SAR
- Nuclear Power Plant SAR (draft 2)
- Determine Facility Ratings Standard
- FERC NOPR on Wind Interconnection Standards

At the time of this submission, the NSRS is also in the process of developing comments for submission on the following NERC activity and Standards out for comment:

- Version 4 revision proposal to the Standards Process Manual
- Phase III and IV Planning Standards

No NERC actions have been out for comment in this period for which the NSRS did not formulate an MRO response. The committee has made use of e-mail communications and conference calls augmented by WebEx to fulfill its tasks, and these formats seem to be working effectively.

Respectfully Submitted,
Darrick Moe, NSRS Chair