MEETING AGENDA
MRO Standards Committee Meeting

Thursday, November 17, 2011

10:00 am – 3:00 pm

Crown Plaza Hotel & Suites, Bloomington, MN

	AGENDA ITEM	ACTION
1	**Call to Order** a. Detemination of Quorum b. Additions to the Agenda c. Standards of Conduct and Anti-Trust Guidelines	**Information Item**
2	**Consent Agenda** a. Approve Meeting Minutes of August 25, 2011 ***(Action Item)***	
3	**2012 Standards Committee Membership** a. Annual Elections	**Information Item**
4	**Annual Assessment to the Board** a. Policy and Procedure 3 Update b. Standards Committee c. NERC Standards Review Forum d. Subject Matter Expert Teams	**Discussion Item**
5	**Regional Standards** a. Four Regional Standards Withdrawn - *MBAL-002-0 (Operating Reserve - Spinning)* - *RES-501-MRO-01 (Planned Resource Adequacy Assessment)* - *PRC-502-MRO-01 (Power System Stabilizer Requirement)* - *TPL-504-MRO-01 (Subsynchronous Resonance (SSR)Assessment)* b. TPL-503-MRO-01 (System Performance Requirement) Comparison	**Discussion Item**
	****** LUNCH ******	
6	**Review of Standards Committee Task List**	**Discussion Item**
7	**Subject Matter Expert Teams Reports** a. Critical Infrastructure Protection (CIP) b. Protection and Control (PRC) - *Review Revising PRC presentation due to FERC Order* c. Personnel Performance, Training and Qualifications (PER) d. Appointing a Chair and Vice Chair for each SME team ***(Action Item)*** e. Website	

8	**MRO Reports** a. NERC Standards Review Forum Report - ***Will Smith*** - *Nomination for Vice Chair* ***(Action Item)*** b. Standards Manager Report ***Will Smith*** c. Standards Process Manual Drafting Team - ***Mike Garton*** - *Review of the SPM revisions* ***(Action Item)*** d. Compliance Committee Update ***SC Member*** e. Planning Committee Update ***SC Member*** f. Operating Committee Update ***SC Member***	
9	**NERC Reports** a. Standards Committee ***Will Smith*** b. Compliance and Certification Committee ***Terry Bilke*** c. Regional Standards Group ***Will Smith*** d. Critical Infrastructure Protection Committee ***Marc Child/Paul Crist/Rick Liljegren*** e. NERC Drafting Teams *i) NERC Project 2007-17: Protection System Maintenance and Testing* ***Carol Gerou*** *ii) NERC Project 2009-01: Disturbance and Sabotage Reporting* ***Joe DePoorter***	**Information Item**
10	**Next Meetings** a. Approve 2012 Standards Committee Meeting dates ***(Action Item)*** <u>Date</u> <u>Group</u> Dec 14 MRO Compliance and Enforcement Workshop Dec 15 MRO Board of Directors Meeting	
11	**Adjourn** ***(Action Item)***	

AGENDA 1
Call to Order
a. Determination of Quorum

Midwest Reliability Organization
Standards Committee
2011 Roster

Name	Sector	Company	Term
Dave Acton	Investor Owned Utility	Alliant Energy	December 2011
Joe Knight, Chair	Cooperative Utility	Great River Energy	December 2011
Tim Noeldner	Municipal Utility	WPPI Energy	December 2011
Andrew Pusztai	Transmission System Operator	American Transmission Company	December 2011
OPEN	Generator and/or Power Marketer		December 2011
Beth Lemke (IOU)	At Large Seat	Wisconsin Public Service	December 2011
Gerry Steffens	Municipal Utility	Rochester Public Utilities	December 2012
Wayne Guttormson	Canadian Utility	Saskatchewan Power	December 2012
Mike Garton	Generator and/or Power Marketer	Dominion Resources Services	December 2012
OPEN	Large End-Use Electricity Customer		December 2012
Michael Moltane	Transmission System Operator	ITC Holdings	December 2013
David Rudolph **Vice Chair**	Cooperative Utility	Basin Electric Power Cooperative	December 2013
Robert Thompson	Investor Owned Utility	Xcel Energy	December 2013
Lloyd Linke	Federal Power Marketing Agency	Western Area Power Administration	December 2013
OPEN	Large End-Use Electricity Customer		December 2013
Will Smith		Midwest Reliability Organization	

AGENDA 1

Call to Order

b. Additions to the Agenda

Chair Knight will ask the meeting attendees for any additional items to add to the agenda.

AGENDA 1
Call to Order
c. Standards of Conduct and Anti-Trust Guidelines

Standards of Conduct Reminder:

FERC Standards of Conduct prohibit MRO staff, committee, subcommittee, and task force members from sharing non-public transmission sensitive information with anyone who is either an affiliate merchant or could be a conduit of information to an affiliate merchant.

Anti-trust Reminder:

Participants in Midwest Reliability Organization meeting activities must refrain from the following when acting in their capacity as participants in Midwest Reliability Organization activities (i.e. meetings, conference calls, and informal discussions):

- Discussions involving pricing information; and
- Discussions of a participants marketing strategies; and
- Discussions regarding how customers and geographical areas are to be divided among competitors; and
- Discussions concerning the exclusion of competitors from markets; and
- Discussions concerning boycotting or group refusals to deal with competitors, vendors, or suppliers.

AGENDA 2

Consent Agenda

a. Approve Meeting Minutes of August 25, 2011

The meeting minutes from August 25, 2011 are attached.

MIDWEST RELIABILITY ORGANIZATION

Draft Meeting Minutes of the Standards Committee Meeting

Crown Plaza Hotel & Suites, Bloomington, MN
August 25, 2011 - 10:00 am–3:00 pm

1. Call to Order

a. *Determination of Quorum*

Chair Joe Knight called the meeting to order at 10:05 am, and determined that a quorum was present and introductions were made.

The following members, guests and staff were present:

Members:	
Joe Knight, Chair, GRE	David Rudolph, BEPC (phone)
Mike Garton, DRS (phone)	Michael Moltane, ITC (phone)
Wayne Guttormson, Sask Power	Andrew Pusztai, ATC
Gerry Steffens, RPU	Lloyd Linke, WAPA
Dave Acton, Alliant Energy	Robert Thompson, Xcel
Tim Noeldner, WPPI	
Guests:	
Kenneth Hubona, FERC (phone)	
Patrick Matson, MGE (phone)	
Marc Child, GRE	
MRO Staff:	
Carol Gerou	
Jennifer Matz	
Members Absent:	
Beth Lemke, WPS	

b. *Additions to the Agenda*

No additions to the agenda were presented.

c. *Standards of Conduct and Anti-Trust Guidelines*

Pursuant to Policy and Procedure 4, Ms. Carol Gerou reviewed the Standards of Conduct and Anti-Trust Guidelines with the meeting attendees.

2. Consent Agenda

a. *Approve Meeting Minutes from May 19, 2011 Meeting*

The approved minutes can be found on MRO's website at http://www.midwestreliability.org/STA_sc_agenda_minutes.html

Upon motion duly made by Mr. Robert Thompson and seconded by Mr. Dave Acton, the Standards Committee approved the May 19, 2011 meeting minutes as written.

3. Revisions to Policy and Procedure 3 (PP3) (Organizational Groups)

Ms. Jennifer Matz informed the committee of the proposed changes to PP3 the Governance and Personnel Committee is presenting to the board on September 22, 2011. The intent of the changes is to simplify the policy by defining the relationship between committees and subgroups. The proposed changes clarify Subject Matter Expert Teams (SMETs) and NERC Standards Review Forum (NSRF) as working groups and therefore must conform to the policy. Initially, the committee was concerned the sector representation requirement would make it difficult to fill these subgroups. However, the revisions permit subgroups to have an alternate election process, which allows subgroups to have at "At Large" seats that are open to all MRO members provided the Standards Committee (SC) determine that the candidates have the experience and expertise needed to serve on the subgroups. Ms. Matz also stated the revisions include an annual assessment the SC must perform of the effectiveness of itself and its subgroups to provide to the board every November. In addition, all subgroups, including the NSRF and SMET's, will be required to have a charter and select a chair and vice-chair.

a. *Standards Committee*

Ms. Jennifer Matz presented the SC charter in the new PP3 template, which is required and will be presented to the board for approval at the September board meeting. The committee chose to revise its charter to include language from the Security Committee charter, since the Security Committee recently merged with the SC. Chair Knight asked the committee for a motion to approve the charter as modified.

Upon motion duly made by Mr. Dave Acton and seconded Mr. Wayne Guttormson, the Standards Committee approved the Standards Committee charter as modified.

b. *NSRF*

Ms. Jennifer Matz presented the NSRF charter in the new PP3 template, which is required and will be presented to the board for approval at the September board meeting. The committee chose to revise the charter, to exclude language on executive sessions, and replace the word "committee" with "subgroup." Chair Knight asked the committee for a motion to approve the charter as modified.

Upon motion duly made by Mr. Lloyd Linke and seconded by Mr. Wayne Guttormson, the Standards Committee approved the NSRF charter as modified.

c. *SME Teams*

Ms. Jennifer Matz presented the committee members with a draft charter to represent all SME teams. Since a charter needs to be presented to the board in September, the committee reviewed and revised the charter during the meeting.

The committee recessed at 9:30 am and reconvened at 9:50 am.

Chair Knight asked the committee for a motion to approve the charter as modified.

Upon motion duly made by Mr. Robert Thompson and seconded Mr. Gerry Steffens, the Standards Committee approved the SMETs charter as modified.

d. *Open Seats on the Standards Committee*

Ms. Jennifer Matz informed the committee about the upcoming annual election, which MRO conducts every fall to fill open and expiring seats on the SC. Any open seats remaining after the election will become "At Large" seats, and MRO staff will solicit members from the entire membership to fill those seats. Ms. Matz also informed the committee that "At Large" seats will have an one year term and will open back up to the industry sector it belongs to allow the sector another chance to fill the seat.

4. Subject Matter Experts Groups

a. *Status*

i. CIP Update

Ms. Carol Gerou requested the committee approve the nomination for Dan Barker of American Transmission Company.

Upon motion duly made by Mr. Gerry Steffens and seconded by Mr. Tim Noeldner, the Standards Committee approved Dan Barker's nomination form to participate on the CIP SME team.

Ms. Gerou updated the committee on the recent activities of the CIP SMET. A face-to-face meeting is scheduled for August 31 to begin work on a presentation for the North American Transmission Forum (NATF) meeting on October 11, 2011. Marc Child is the CIP SMET member scheduled to present at the meeting.

Ms. Gerou asked the committee to develop new topics for SMETs. The committee discussed revisiting the list of the most violated NERC Standards and the Standards recently approved by FERC.

ii. PRC Update

Ms. Gerou reported the PRC SMET having no action items on their agenda. The committee discussed the possibility of having a subgroup work on the PRC-023-2 Standard recently approved by the NERC Board of Trustees. However, committee members stressed the subgroup should not present until the Standard is officially approved by FERC.

iii. PER Update

Ms. Gerou requested the committee approve the nominations for John Pettingill of Xcel Energy, Patrick Matson of Madison Gas and Electric and Robert Kieborz of Nebraska Public Power District.

Upon motion duly made by Mr. Tim Noeldner and seconded by Mr. Gerry Steffens, the Standards Committee approved John Pettingill's nomination form to participate on the PER SME team.

Upon motion duly made by Mr. Gerry Steffens and seconded by Mr. Wayne Guttormson, the Standards Committee approved Patrick Matson's nomination form to participate on the PER SME team.

Upon motion duly made by Mr. Gerry Steffens and seconded by Mr. Lloyd Linke, the Standards Committee approved Robert Kieborz's nomination form to participate on the PER SME team.

Ms. Gerou informed the committee of the face-to-face kick off meeting the PER SMET had on August 9 – 10, 2011. The SMET is working towards developing application guidance for PER-005 and a presentation for the Midwest Continent Compliance Forum meeting in December.

b. Appointing a Chair for each SME Team

This topic was discussed under agenda item 3.

c. Travel Reimbursement

Ms. Jennifer Matz informed the committee of PP3 revisions, which requires members of organizational groups to seek pre-approval from MRO for expenses to be incurred outside the normal meeting expenses.

d. Website

Ms. Jennifer Matz updated the committee on the upcoming changes to the SME web page on MRO's website. A new web page will be added to MRO's website called "Standards Application Guides," which will host all guides developed by SMETs. The existing SME web page will become a link on the new "Standards Application Guides" web page and only contain the charter and team rosters.

5. Regional Standards being presented to MRO BOD on September 22, 2011

Ms. Carol Gerou reminded the committee to recommend the board vote to withdraw the four regional standards PRC-502-MRO-01 ("Power System Stabilizer Requirement"), RES-501-MRO-01 ("Planned Resource Adequacy Assessment"), TPL-504-MRO-01 ("Subsynchronous Resonance (SSR) Assessment"), and MBAL-002-0 ("Operating Reserve – Spinning") at the next board meeting on September 22, 2011. Last quarter, the SC informed the board of the certified ballot results and the SC's future recommendation to the board to vote to withdraw the four regional standards.

Ms. Gerou further mentioned that she would compare the last non-withdrawn regional standard to the NERC Standard and provide comments at the next quarterly meeting.

The committee recessed for lunch at 11:30 am and reconvened at 12:15 pm.

6. Review of Standards Committee Task List

Ms. Carol Gerou reviewed all the outstanding tasks on the Standards Committee task list with the committee.

7. MRO Report

a. *NSRF Report*

Ms. Carol Gerou referred the committee to agenda item 9a of the agenda packet containing the NSRF report. Ms. Gerou highlighted on the NERC Projects and CANs the subgroup has voted on or is currently reviewing.

b. *Standards Manager Report*

Ms. Carol Gerou reported to the committee that there was nothing new to report since the last Standards Committee meeting.

c. *Compliance Committee Update*

Chair Knight provided highlights from the recent Compliance Committee meeting held on August 23, which included MRO's direction for the 2012 Implementation plan and an update on the Find, Fix and Track (FFT) report. MRO's goal is to minimize the number of confirmed audit violations, by having the Registered Entities self-assess, self-audit, continuously self-monitor and self-reporting any instances of non-compliance. To accomplish this, MRO is looking at focusing on an entity's controls in regards to internal compliance.

d. *Planning Committee Update*

Mr. Gerry Steffens provided highlights on the recent activities of the Planning Committee, which included an update on SPS definition discussions, PRC-023 Line Loadability, TPL-001-2 review, Model Building issues, and the NERC Integrated Reliability Index Workshop.

e. *Operation Committee Update*

Mr. Lloyd Linke provided highlights on the recent activities of the Operating Committee, which included an update on Metrics, SPS definition discussions, Seasonal Assessments and the new MRO procedure for PRC-003.

8. NERC Reports

a. *Standards Committee*

Ms. Carol Gerou referred the committee to agenda item 8a of the agenda packet containing the NERC Standards Committee report. Ms. Gerou provided a brief update on the recent activities of the NERC Standards Committee, which included the status of the FERC order denying two ERO registration appeals, a request for

the NERC MRC to clarify a requirement, NERC SC posting a SAR and proposed revision to the Standard for a 45-day comment period, and NERC SC's proposal for an interpretation of MOD-28.

b. *Compliance and Certification Committee*
Chair Knight referred the committee to Mr. Terry Bilke's report in the agenda packet under agenda item 8b.

c. *Regional Standards Group*
Ms. Carol Gerou reported to the committee that there was nothing new to report since the last Standards Committee meeting.

d. *Critical Infrastructure Protection Committee (CIPC)*
Mr. Marc Child briefly highlighted on the activities of the NERC CIPC, which included a status on the change in leadership, version five of the CIP Standards, and the Task Forces developing Guidelines.

e. *NERC Drafting Teams*

i. *NERC Project 2007-17:Protection System Maintenance and Testing*
Ms. Carol Gerou referred the committee to agenda item 8ei containing the report on NERC Project 2007-17, which included a status on the maintenance interval changing from three to four months, UFLS activities, and the webinar scheduled for mid-September.

ii. *NERC Project 2009-01: Disturbance and Sabotage Reporting*
Chair Knight referred the committee to Mr. Joe DePoorter's report in the agenda packet under agenda item 8eii containing the report for NERC Project 2009-01.

9. Next Meeting

Date	Group
Sept 22	MRO Board of Directors meeting
Nov 17	MRO Standards Committee Meeting

10. Adjourn
Having no further business to discuss, the meeting was adjourned at 3:45 pm.

Upon motion duly made by Mr. Gerry Steffens and seconded by Mr. Wayne Guttormson, the Standards Committee approved to adjourn the meeting.

AGENDA 3
2012 Standards Committee Membership
a. Annual Elections

Open or Expiring Sector Seats

- Dave Acton, *Alliant Energy* (IOU)
- Joe Knight, *Great River Energy* (CU)
- Andrew Pusztai, *American Transmission Company* (TSO)
- Tim Noeldner, *WPPI Energy* (MU)
- Gerry Steffens, *Rochester Public Utilities* (MU)
- One open (GPM) seat
- Two open (LEU) seats
- Beth Lemke, *Wisconsin Public Service* (At Large Seat)

Election Results

- Jason Burki, *Alliant Energy* (IOU)
  - Serve three year term through December 2014
- Joe Knight (CU) re-elected
  - Serve three year term through December 2014
- Andrew Pusztai (TSO) re-elected
  - Serve three year term through December 2014
- Todd Komplin, *WPPI Energy* (MU)
  - Serve three year term through December 2014
- Scott Nickels, *Rochester Public Utilities* (MU)
  - Serve remainder of Gerry Steffen's term through December 2012
- One open (GPM) seat is now an At Large Seat and MRO is soliciting the membership for nominations
  - One nomination submitted and currently out for ballot
  - Update will be provided to attendees at the meeting
- Two open (LEU) seats are now At Large Seats and MRO is soliciting the membership for nominations
  - No nominations submitted thus far

AGENDA 4

Annual Assessment to the Board

a. Policy and Procedure 3 (Organizational Groups) Update

The MRO Board of Directors approved the revisions to Policy and Procedure 3 (Organizational Groups) on September 22, 2011. Per the new policy revisions, the MRO Standards Committee (SC) is required to report annually to the board on the work that the committee and its subgroups completed over the past year and provide an assessment of the efficiency of the work. The SC chair should include the annual assessment in the SC report to the board at the next board meeting on December 15, 2011.

To assist with the annual assessment, the SC and its subgroups' activities for 2011 are listed under agenda item 4b through 4d.

To view the revised policy, please click on the following link:

http://www.midwestreliability.org/01_about_mro/overview/policies_procedures/PP3_%20Organizational%20Groups.pdf

AGENDA 4
Annual Assessment to the Board
b. Standards Committee

Activities completed for 2011:

- **4 regional standards withdrawn**

- **SME Teams**
  - A CIP team was established to develop application guidance for the NERC Reliability Standards CIP-002-3 through CIP-009-3
    - *The CIP team presented the application guidance at the MRO 2011 Reliability Conference in June*
    - *A CIP team member presented at the North American Transmission Forum (NATF) in October*

  - The PRC team added a narration to the PRC-005-1 and PRC-008-0 application guidance and presented it at the MRO 2011 Reliability Conference in June
  - The PRC team's presentation with narration is posted on MRO's website

  - A PER team was established to develop application guidance for the NERC Reliability Standard PER-005-1
    - *The PER team is scheduled to present the application guidance at the Mid-Continent Compliance Forum (MCCF) meeting on December 15, 2011.*

- **Security Committee merged with the SC**
  - The SC revised their charter to incorporate language from the Security Committee's charter.

- **Revisions to Policy and Procedure 3 (Organizational Groups)**
  - The SC reviewed and revised the SC and NSRF charters
  - The SC developed one charter to cover all SME teams
  - All three charters were approved by the board on September 22, 2011

- **Revisions to the SPM**

- **Committee met every quarter**

AGENDA 4
Annual Assessment to the Board
c. NERC Standards Review Forum

Activities completed for 2011:

- Click on the following link to view comments of projects or CANs submitted by the NSRF:

  http://www.midwestreliability.org/STA_nsrs_standard_comments.html

- Provided below are the NSRF's quarterly reports to the SC for 2011: to assist with the SC's annual assessment of the subgroup:

February Report:

Voting Recommendations, for NERC projects: Initial (5) & Recirculation (5):

- **Recirculation Project 2007-17 ("Protection System Maintenance Definition")**, the NSRS recommends voting "Affirmative" (8 members voted "Affirmative", 1 member voted "Abstain.")
- **Recirculation of the Standards Process Manual.** The NSRS recommends voting "Negative"
- **Recirculation of Project 2009-17** ("Interpretation of PRC-004-1 and PRC-005-1 by Y-W Electric and Tri-State G&T"), the NSRS recommends voting "Affirmative" (5-Affirmatives, 3-Abstained, 1 - Negative)
- **Successive Ballot: Project 2008-06 ("Cyber Security – Order 706 CIP-002 through CIP-009"),** the NSRS recommends voting "Abstain" (2 - Negative, 3 - Affirmative, 4 - Abstained) with comment "Our membership was divided on this voting recommendation but we are all in agreement with our comments housed in our comment form."
- **Project 2010-15 ("Urgent Action Revisions to CIP-005-3"),** the NSRS recommends voting "Abstain" (3 - Negative, 1 - Affirmative, 4 - Abstained) with comment "Our membership was divided on this voting recommendation but we are all in agreement with our comments housed in our comment form."
- **Recirculation: Project 2007-04 ("Certifying System Operations – PER-003"),** the NSRS recommends voting "Affirmative" (6 - Affirmative) with comment "The changes to Footnote 1 has added more confusion rather than added clarity. To be clear, Footnote 1 should be revised to read, "Non-NERC certified System Operators in-training performing any reliability related tasks of a real-time operating position must be under the direct supervision of a NERC Certified System Operator stationed at that operating position *in the control center*; the NERC Certified System Operator at that operating position has ultimate responsibility for the performance of the reliability–related task."
- **Project 2010-13 ("Relay Loadability Order"),** NSRS recommends voting "Affirmative." (4 – Affirmative, 3 – Abstain, & 1 - Negative)
  - **MRO was not part of the ballot pool so, the MRO did not vote.**
- **Project 2007-17 ("Protection System Maintenance & Testing - PRC-005-2"),** NSRS recommends voting "Negative." (6 – Negative, 1 - Affirmative)
- **Project 2010-11 ("TPL Table 1 Order"),** NSRS recommends voting "Affirmative." (2 members Abstaining & 2 members Affirmative.)

- **Project 2010-10 ("FAC Order 729"),** NSRS recommends voting "Negative." (4 – Negative, 1 - Abstain) with comment, "this is an economic and financial standard not a reliability standard."
- **Actual MRO vote was "Negative" on the Project 2010-10 ("FAC Order 729")("FAC-013-2 changes") with a comment.** The comment being, "The commission has indicated that FAC-013 should be applicable to Reliability Coordinators. The ATC methodology should include the operating horizon, inter-regional transfer capabilities, intra-regional transfer capabilities, and be consistent with the criteria used to calculate transfer capabilities for use in determining ATC must be identical to those used in planning and operating the system. The commission has ruled twice as to this position (The paragraphs 782 & 785 of the FERC order 693 and the paragraph 278 of the FERC order 729.) The current draft of the standard FAC-013-2 doesn't reflect the commission's position; therefore, the MRO has voted negative."

May Report:

Voting Recommendations, NERC projects: Initial (1), Recirculation (1), & Successive (1):

- **2010-11 ("TPL Table 1, Foot note B"),** the NSRS recommended an "affirmative" (5 members voted affirmative & 4 members voted to abstain).
- **Recirculation 2010-13 ("Relay Loadability Order"),** the NSRS recommends abstaining from the vote since the membership was split.
- **Initial 2006-06 ("Reliability Coordination"),** the NSRS recommends voting negative.
- **Successive 2007-07 ("Vegetation Management FAC-003"),** The NSRS recommends voting "affirmative" (4 members voted affirmative and 1 member voted to abstain.) with a comment, "While supportive of the drafting team's efforts, The MRO's NSRS believes a change is warranted in Footnote 2 and Footnote 4 to remove the exemption for "arboricultural activities or horticultural or agricultural activities" and replace with the term "installation of". As currently drafted, the wording could potentially be construed to mean that the TO would or could be constrained or refused permission to prune and remove any and all vegetation in the ROW in accordance with the full legal rights of the ROW agreement(s)."
- **2007-23 ("Violation Severity Levels"),** the NSRS recommends to abstain with no comments. (7 members voted.)

August Report:

Voting Recommendations, NERC projects - Recirculation (2), & Successive (4):

- **Project 2007-17 ("Protection System Maintenance & Testing"),** the NSRF recommended an "affirmative."
- **Recirculation Project 2009-06 ("Facility Ratings"),** the NSRF recommended an "affirmative."
- **Project 2006-02 ("Assess Transmission & Future Needs"),** the NSRF recommended an "affirmative." The actual recommendation made was to either vote abstain or negative, since footnote 12 appeared to have the same wording as expressed in project 2010-11 ("TPL Table 1 Order"). The commission looked unfavorably upon the project 2010-11 submittal.
- **Project 2007-03 ("Real-Time Operations"),** the NSRF recommended a "negative."
- **Recirculation: Project 2007-17 ("Protection System Maintenance & Testing"),** the NSRF recommended an "affirmative."
- **Project 2007-09 ("Generation Verification")**, the NSRF recommended a "negative" for PRC-024-1 and an "affirmative" for MOD-026-1.

AGENDA 4

Annual Assessment to the Board

d. Subject Matter Expert Teams

The SMETs' highlights for 2011 are listed in the SC activities under agenda item 4b of the agenda packet.

AGENDA 5

Regional Standards

a. Four Regional Standards Withdrawn

On September 22, 2011, the MRO Board of Directors approved the Standards Committee's recommendation to withdraw the four regional standards below.

- MBAL-002-0 (Operating Reserve – Spinning)
- RES-501-MRO-01 (Planned Resource Adequacy Assessment)
- PRC-502-MRO-01 (Power System Stabilizer Requirement)
- TPL-504-MRO-01 (Subsynchronous Resonance (SSR) Assessment)

AGENDA 5
Regional Standards
b. TPL-503-MRO-1 (System Performance Requirement) Comparison

A verbal update will be provided to attendees at the meeting. The update will discuss the results of comparing the regional standard TPL-503-MRO-01 to the NERC Reliability Standard TPL-001-2.

Click on the following link to view the regional standard TPL-503-MRO-01:

http://www.midwestreliability.org/04_standards/approved_standards/mro_standards/TPL-503-MRO-01_Final_20071206_Clean.pdf

Click on the following link to view the NERC Reliability Standard TPL-001-2:

http://www.nerc.com/files/TPL-001-2.pdf

AGENDA 6
Review of Standards Committee Task List

Purpose: To maintain an on-going list of activities the SC would like to address. The SC will review and revise the task list quarterly or as needed.

Standards Committee Tasks List

Activities	Status	Assigned To:	Due Date:
Standards Process Manual	On going	Subgroup	
Review RAC guidelines and determine if SAR is needed.	Not Started	Staff	
Point-of-Contact Database	On going	Staff	
Discussion Forum rollout	Not Started, will be evaluated upon use of share-point.	Staff	
Procedural item: Review section 4 of the MRO Manual	On going	Subgroup	
~~Summer/Fall 2010 Standards Workshop~~	~~June 2011~~		

AGENDA 7
Subject Matter Expert Teams Reports
a. Critical Infrastructure Protection (CIP)

- Recent Activities:
  - Marc Child from the CIP SMET presented at the NATF on October 11, 2011.

- New Topics?

AGENDA 7
Subject Matter Expert Teams Reports
b. Protection and Control (PRC)

- Recent Activities:
  - The team has not met since May 2011.

- Discuss whether the PRC presentation (PRC-005-1 and PRC-008-0) needs to be revised due to the recent FERC order (9/26/2011) approving the interpretation of PRC-004-1 and PRC-005-1.

  - Click on the following link to view the FERC Order: http://www.ferc.gov/EventCalendar/Files/20110926152145-RD11-5-000.pdf

  - Click on the following link to view the PRC-005-1 and PRC-008-0 presentation: http://www.midwestreliability.org/STA_standards_committee_sme.html

    ***Click the link above and select the gray row labeled "Protection and Control (PRC)"*

- New Topics?

AGENDA 7

Subject Matter Expert Teams Reports

c. Personnel Performance, Training and Qualifications (PER)

- Recent Activities:
  - PER SMET met on November 3 and 10th to continue developing their application guidance for PER-005-1.
  - The team is scheduled to present to the MCCF on December 15th.

- New Topics?

AGENDA 7

Subject Matter Expert Teams Reports

d. Appointing a Chair and Vice Chair for each SME team

Action Required: Listed below are the chairs and vice chairs chosen by the SME teams. The SC will need to approve these appointments.

CIP

- Chair – Jennifer White, *Alliant Energy*
- Vice Chair – Marc Child, *Great River Energy*

PER

- Chair – John Pettingill, *Xcel Energy*
- Vice Chair – Richard Cobb, *Midwest ISO*

PRC

- No chair or vice chair have been selected since the team has not met since May.

AGENDA 7
Subject Matter Expert Teams Reports
e. Website Update

A verbal update will be provided to attendees at the meeting.

AGENDA 8
MRO Reports
a. NERC Standards Review Forum Report

Action Required: Chair Joe DePoorter has nominated Ken Goldsmith to be vice chair. The NSRF will vote on the nomination on November 9, 2011. If approved, the NSRF will seek SC approval for the appointment on November 17, 2011.

Comments for NERC Projects: (10)

- 2007-17 ~ "Protection System Maintenance & Testing" ~ 9-28-11
- 2007-07 ~ "Vegetation Management" ~ 10-13-11
- Proposed changes to "NERC Rules of Procedure and all Appendices" ~ 10-17-11
- 2010-17 ~ "Definition of BES – ROP Modification to Support BES Exception" ~ 10-27-11
- 2011-INT-01 ~ "Interpretation of MOD-028 for FL Power & Light Company" ~11-16-11
- 2009-22 ~ "Interpretation of COM-002, R2 by IRC" ~ 11-17-11
- 2010-07 ~ "Generator Requirements at the Transmission Interface" ~ 11-18-11
- 2008-10 ~ "Revision of CIP-006-1, R1.1" – Progress Energy Interpretation Request ~ 11-21-11
- 2007-12 ~ "Frequency Response" ~ 12-08-11
- 2009-01 ~ "Disturbance and Sabotage Reporting" ~ 12-12-11

Voting History of NERC Projects: (4)

- NSRF voted: Affirmative to 2007-17 ~ "Protection System Maintenance & Testing"
- NSRF voted: Affirmative to 2007-07 ~ "Vegetation Management"
- NSRF voted: Affirmative to "NERC Rules of Procedure and all Appendices"
- NSRF voted: Affirmative to 2010-17 ~ "Definition of BES – ROP Modification to Support BES Exception"

Open Items of NERC Projects: (6)

- 2011-INT-01 ~ "Interpretation of MOD-028 for FL Power & Light Company" ~11-16-11
- 2009-22 ~ "Interpretation of COM-002, R2 by IRC" ~ 11-17-11
- 2010-07 ~ "Generator Requirements at the Transmission Interface" ~ 11-18-11
- 2008-10 ~ " Revision of CIP-006-1, R1.1" – Progress Energy Interpretation Request ~ 11-21-11
- 2007-12 ~ "Frequency Response" ~ 12-08-11
- 2009-01 ~ "Disturbance and Sabotage Reporting" ~ 12-12-11

AGENDA 8
MRO Reports
b. Standards Manager Report

Modification to the Standards Process Manual

MRO is prohibited from changing its Standards Process Manual without approval by both NERC and FERC.

Therefore, MRO must submit the latest version of its Standards Process Manual to NERC for NERC Board of Trustees approval. If approval is obtained, NERC will work with MRO to file the changes with FERC for approval before the Rules become effective. Until the Commission approves a more recent version of the MRO Standards Process Manual, the June 19, 2008 version, is the version that should be used by MRO in the development of regional standards.

In MRO's opinion, changes to the MRO Standards Process Manual conform it to the NERC Standards Process Manual. Given the nature of the changes and the fact that MRO does not plan to propose any regional standards at this time, the filing is not a high priority. If NERC believes that in the abundance of caution, it would like MRO to file its revised Standards Process Manual, we will do so at a time when we can bundle it with other changes needing approval. Our board is considering bylaw changes early next year and we could seek approval of both matters at that time. Please contact us with any questions.

Leveraging Stakeholder Expertise

An verbal update will be provided to attendees at the meeting.

Influence via Sector #10

An verbal update will be provided to attendees at the meeting.

AGENDA 8
MRO Reports
c. Standards Process Manual Drafting Team Update

Provided below:

- Standards Process Manual Drafting Team Report
- ***Action Required:*** Attached is the revised Standards Process Manual (SPM) for the SC to review and accept. Upon accepting, the SC needs to determine the next step for the SPM.

Standard Drafting Team (SDT)
Mike Garton (Chair) – Dominion
Joe Knight – Great River Energy
Wayne Guttormson – Saskatchewan Power
Andy Pusztai – ATC

The Standards Process Manual Drafting Team (Drafting Team) met by teleconference on September 23, 2011 to review industry comments from the initial posting of the revised MRO Standards Process Manual (SPM). The Drafting Team reviewed and considered each comment and made fitting changes to the SPM. In addition, the Drafting Team provided responses to the comments received. The revised SPM and response to comments were provided to Jennifer Matz on September 23, 2011 via email.

The Drafting Team recommends that the Standards Committee review the associated revisions to the SPM and proceed to ballot.

Please Note:

- *The response to industry comments will be provided to committee members under a separate cover.*

Midwest Reliability Organization

Regional Reliability Standards Process Manual

Version 5.0- Approved by the MRO Board December xx, 2011

MRO Regional Reliability Standards Process Manual

Table of Contents

I. Introduction

Purpose:
This manual defines the characteristics of a Midwest Reliability Organization ("MRO") Regional Reliability Standard and establishes the process for proposing Regional Reliability Standards to North American Electric Reliability Corporation ("NERC") for enforcement under direct or delegated authority as designated by the Energy Policy Act of 2005 ("EPAct 2005"), Section 215 in the United States and applicable Canadian authorities. ~~The~~ MRO plans to become a Cross-Border Regional Entity ("CBRE") as defined in EPAct 2005 and the final FERC reliability rule consistent with the US-Canadian Bilateral principles. For more information on ~~the~~ MRO, please refer to http://www.midwestreliability.org.

The MRO standards process is consensus-based, technically vetted, and open to the public and bordering entities that may be impacted by a proposed Regional Reliability Standard ~~by~~ of ~~the~~ MRO. MRO Regional Reliability Standards apply to the reliability planning, and operation of bulk power systems located within the MRO region. NERC as the Electric Reliability Organization ("ERO") and the applicable regulatory authorities in the United States and Canada will have the ability to enforce these standards.

Authority:
This manual is published by the authority of the MRO Board of Directors ("BOD") who shall have the sole authority to approve the modifications to this manual. A procedure for revising this manual is provided in section VII titled "Maintenance of MRO Regional Reliability Standards Process."

Credits:
This manual was developed from the NERC Reliability Standards Development Procedure (available at www.nerc.com). Thus, the MRO Regional Reliability Standards process is very similar to the NERC process and the format is the same as the NERC Reliability Standard format.

Background:
NERC and ~~the~~ MRO work with all segments of the electric industry, including electricity end-users, to develop standards for the reliable planning and operation of bulk power systems. The purpose of the NERC Reliability Standards is to promote reliability, while at the same time accommodating competitive electricity markets.

EPAct 2005, Section 215 and NERC, ERO provide for Regional Entities ("RE") to propose Regional Reliability Standards to NERC for eventual enforcement within the region of the RE or CBRE. Regions (such as ~~the~~ MRO) may develop, through their own processes, regional reliability standards that; go beyond, add detail to, or cover matters not addressed in NERC Reliability Standards. MRO Regional Reliability Standards are proposed to NERC for approval and become enforceable, once approved by NERC and the applicable regulatory authorities in the United States and Canada as Reliability Standards.

MRO Regional Reliability Standards that are proposed shall not be inconsistent with, or less stringent than established NERC Reliability Standards. All MRO Regional

Reliability Standards obligate ~~the~~ MRO to monitor and enforce compliance, apply sanctions, if any, consistent with any regional agreements and the NERC rules.

Proposed MRO Regional Reliability Standards shall be subject to approval by NERC, as the ERO, and by applicable regulatory authorities in the United States and Canada, before becoming mandatory and enforceable. No Regional Reliability Standard shall be effective within the MRO area unless approved by NERC and the applicable regulatory authority in the United States or Canada.

MRO proposed Regional Reliability Standards, when approved by NERC and the applicable regulatory authorities in the United States or Canada shall be made part of the body of NERC Reliability Standards and shall be enforced upon applicable bulk power system owners, operators, and users within the MRO region as per applicable delegation agreements.

II. MRO Regional Reliability Standard Definition, Characteristics, and Elements

Definition of a MRO Regional Reliability Standard:
A MRO Regional Reliability Standard defines certain obligations or requirements of entities that operate, plan, and use the bulk power systems of the MRO region.

The Bylaws of MRO define a Reliability Standard as:

> *"Reliability Standard" means a NERC reliability standard, duly in effect, under the rules, regulations and laws governing such standards, to provide for reliable operation of the Bulk-Power System."*

When proposing a Regional Reliability Standard in the MRO region, the obligations or requirements must be material to reliability and be measurable.

Each MRO Regional Reliability Standard shall enable or support one or more of the NERC reliability principles, thereby ensuring that each standard serves a purpose in support of the reliability of the regional bulk power system. Each of those standards shall also be consistent with all of the NERC reliability principles, thereby ensuring that no standard undermines reliability through an unintended consequence.

While MRO Regional Reliability Standards are intended to promote reliability, they must at the same time accommodate electricity markets. All MRO Regional Reliability Standards shall be consistent with NERC's market interface principles. Consideration of the market interface principles is intended to ensure that standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on electricity markets.

Characteristics of a MRO Regional Reliability Standard:
A MRO Regional Reliability Standard may include standards for the operation and planning of interconnected systems as well as market interface practices. The format and process defined by this manual applies to all MRO Regional Reliability Standards.

A MRO Regional Reliability Standard shall have the following characteristics:

- **Material to Reliability** - A MRO Regional Reliability Standard shall be material to the reliability of bulk power systems in the MRO region. If the reliability of the bulk power systems is compromised without a particular standard or by a failure to comply with that standard, then the standard is material to reliability.

- **Measurable** - A MRO Regional Reliability Standard shall establish technical or performance requirements that can be practically measured.

- **Relative to NERC Reliability Standards** - A MRO Regional Reliability Standard shall go beyond, add detail to, or cover matters not addressed in already approved NERC Reliability Standards.

Elements of a MRO Regional Reliability Standard:
To ensure uniformity of MRO Regional Reliability Standards, a MRO Regional Reliability Standard shall consist of the elements identified in Appendix C of this manual. However, the most current version of the approved NERC Reliability Standard template and its associated elements posted on the NERC website will be used at the time of the development of a MRO Regional Reliability Standard if different from the elements listed in Appendix C.

These elements are intended to apply a systematic discipline in the development and revision of MRO Regional 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 Regional 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 this manual.

III. Roles in the MRO Regional Reliability Standards Development Process

Nomination, Revision or Withdrawal of a Standard:
Any member of ~~the~~ MRO or group within the MRO region shall be allowed to request that a MRO Regional 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 the MRO bulk power system shall be allowed to request that a MRO Regional Reliability Standard be developed, modified, or withdrawn.

Process Roles

Board of Directors (BOD) - The BOD shall consider MRO Regional Reliability Standards that have been approved by the Registered Ballot Body ("RBB") and recommended by the Standards Committee to be proposed to NERC and the regulatory authorities for enforcement consistent with direct or delegated regulatory authorities of ~~the~~ MRO. Once the proposed MRO Regional Reliability Standard is approved by NERC and the regulatory authorities, it becomes effective in the MRO region consistent with the MRO's direct or delegated regulatory authority.

Compliance Committee (CC) - The mission of the MRO CC is to assure that the compliance program and policies are followed according to the rules and carried out in a non-discriminatory manner, subject to the BOD approval with MRO staff and BOD oversight. The compliance program is designed around compliance with Reliability Standards. The development of a MRO Regional Reliability Standard, in particular the measures and compliance administration portions of the standard, shall have direct input from the CC.

Standards Committee (SC) - The responsibilities of the SC will include:
M~~m~~anaging the standards processes for development of standards, VRFs, VSLs, definitions, variances and interpretations in accordance with this manual. The responsibilities of the Standards Committee are defined in detail in the Standards Committee's Charter. The Standards Committee is responsible for ensuring that the standards, VRFs, VSLs, definitions, variances and interpretations developed by drafting teams are developed in accordance with the processes in this manual and meet NERC's benchmarks for reliability standards as well as criteria for governmental approval[1].

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The Standards Committee has the right to remand work to a drafting team, to reject the work of a drafting team, or to accept the work of a drafting team. The Standards Committee may direct a drafting team to revise its work to follow the processes in this manual or to meet the criteria for NERC's benchmarks for reliability standards, or to meet the criteria for governmental approval. The Standards Committee shall meet at regularly scheduled intervals (either in person, or by other means). All Standards Committee meetings are open to all interested parties.

When presented with a Standard Authorization Request (SAR) the Standards Committee shall determine if the SAR is sufficiently stated to guide standard

[1] The Ten Benchmarks of an Excellent Reliability Standard and FERC's Criteria for Approving Reliability Standards are posted on the ~~MRO~~ NERC Standards Web Page.

development and whether the SAR is consistent with this manual. The Standards Committee shall take one of the following actions:

- Accept the SAR.
- Remand the SAR back to the standards staff for additional work.
- Reject the SAR. If the Standards Committee rejects a SAR, it shall provide a written explanation for rejection to the sponsor within fifteen business days of the rejection decision.
- Delay action on the SAR pending development of a technical justification for the proposed project

If the Standards Committee remands, rejects, or delays action on a SAR, the sponsor may file an appeal following the appeals process provided in this manual.

If the Standards Committee is presented with a SAR that proposes developing a new standard but does not have a technical justification upon which the standard can be developed, the committee shall direct the standards staff to post the SAR for a 30-day comment period solely to collect stakeholder feedback on the scope of technical foundation, if any, needed to support the proposed project. If a technical foundation is determined to be necessary, the Standards Committee shall solicit assistance from MRO's technical committees or other industry experts in providing that foundation before authorizing development of the associated standard.

If the Standards Committee accepts a SAR, the Standards Committee shall work with the standards staff to coordinate the posting of the SAR(s).

Compliance Manager (CM) – The Compliance Manager (CM), a MRO staff function, and the CC shall provide input and comments during the standards development process to ensure the measures will be effective and other aspects of the compliance program practically implemented.

Standards Process Manager (SPM) – This is a MRO staff function. The Standards Manager who will act as the SPM shall manage the MRO Regional Reliability Standards Process. The SPM is responsible for ensuring that the development and revision of standards is in accordance with this manual. The SPM works to ensure the integrity of the process and consistency of quality and completeness of the MRO Regional Reliability Standards. The SPM facilitates all steps in the process.

Standards Process Staff - MRO staff will assist the SC, SPM, Requester, and Standard Drafting Team (SDT).

Registered Ballot Body (RBB) - The RBB comprises all entities that:

1. Qualify for one of the Industry Segments approved by the BOD[2], and
2. Are registered in the MRO RBB.

Each voter must be a member of the RBB. **Note: An individual's membership in the RBB will be in a "Pending" stage immediately following registration; in order to be able to vote, your registration must be activated, and activation may take up to 24 hours.**

2 Appendix D contains a description of the latest version of the Industry Segments approved by the Board of Directors.

Each registered member of the RBB is eligible to participate in the voting process for each Standards Action (add, change or withdraw). However, each MRO RBB member (company) may have only one vote per eligible segment.

The RBB 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 RBB votes to approve each Standards Action.

The MRO Regional Reliability Standards Process relies on open and inclusive participation by the electric utility industry and the interested public. Participation and voting is open to non-members of ~~the~~ MRO; at this time there are no fees for participation or voting.

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 completed ~~Standard Authorization Request (~~SAR~~)~~ for any of the three following actions; a new standard to be developed, a revision to an existing standard, or a withdrawal of an existing standard.

SAR Drafting Team - A team of industry experts appointed by the SC, that:

- Assists in refining the SAR,
- Considers and responds to comments, and
- Participates in industry forums to help build consensus on the SAR.

Standard Drafting Team (SDT) - A team of industry experts appointed by the SC, that:

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

Sub-Regional Variance: A sub-regional variance is an approved, alternative method of achieving the reliability intent of one or more requirements in a standard. No ~~regional~~ Regional ~~entity~~ Entity or bulk power system owner, operator, or user shall claim a sub-regional variance from a regional reliability standard without approval of such a sub-regional variance through the relevant standard approval procedure for the sub-regional variance. Each sub-regional variance from a regional reliability standard that is approved by NERC and applicable governmental authorities shall be made an enforceable part of the associated regional reliability standard. Regional drafting teams shall aim to develop standards with requirements that apply on a regional basis, minimizing the need for sub-regional variances while still achieving the standard's reliability objectives. If one or more requirements cannot be met or complied with as written because of a physical difference in the bulk power system or because of an operational difference (such as a conflict with a Federally or Provincially approved tariff), but the requirement's reliability objective can be achieved in a different fashion, an entity or a group of entities may pursue a sub-regional variance from one or more requirements in a regional standard. It is the responsibility of the entity that needs a sub-regional variance to identify that need

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and initiate the processing of that sub-regional variance through the submittal of a ~~standard authorization request~~SAR. Such a sub-regional variance may be proposed by a group of sub-regional entities in accordance with Step 1 of this process manual. If approved by MRO, NERC and regulatory authorities, the sub-regional variance shall be enforced within the MRO region pursuant to its delegated authority.

IV. MRO Regional Reliability Standards Consensus Development Process

Overview

The process for development of MRO Regional Reliability Standards to be proposed to NERC and regulatory authorities for approval and eventual enforcement under direct or delegated authority is illustrated in the Process Diagram in Appendix A and has the following characteristics:

- **Inclusive** – Any entity (person, organization, company, government agency, individual, etc.) with a direct material interest in the bulk power system in the MRO area shall have a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.

- **Openness** - Participation is open to all persons who are directly and materially affected by the reliability of the MRO region bulk power system. There shall be no undue financial barriers to participation. Participation shall not be conditional upon membership in ~~the~~ MRO or any organization, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements.

- **Balance** - The MRO Regional Reliability Standards Development Process shall have a balance of interests and shall not be dominated by any two, interest categories and no single interest category shall be able to defeat a matter.

- **Transparent** - All actions material to the development of MRO regional reliability standards shall be transparent. All standards development meetings shall be open and publicly announced on the MRO Web site.

- **Timeliness** - The MRO Regional Reliability Standards Development Process does not unnecessarily delay development of the proposed reliability standard.

- **Fair Due Process** - The MRO Regional Reliability Standards Development Process provides for reasonable notice and opportunity for public comment. The procedure includes public notice of the intent to develop a standard, a public comment period on the proposed standard, due consideration of those public comments, and a ballot of all persons who are directly and materially affected.

The MRO Regional 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 recommendations for field testing shall be determined by the SDT and submitted through the SPM to the SC for approval. The SDT shall request input from the MRO Standing Committee members.

    - Field-testing may be region-wide or may consist of one or more, lesser scale demonstrations, evaluations, or other SC approved methods.

    - 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 RBB.

- **Re-ballot to consider specific comments** by those submitting comments with negative votes.

- **Approval of a MRO Regional Reliability Standard**.

- **Appeals mechanism** as appropriate for the impartial handling of substantive and procedural complaints regarding action or inaction related to the standards process.

Process Steps

The first three steps in the MRO Regional Reliability Standards Development Process serve to establish consensus on the need for the standard.

Step 1 - Request to Develop a Standard, Revise Existing Standard or withdraw a Standard

Objective: A valid SAR shall contain a description of the proposed regional reliability subject matter containing sufficient descriptive detail to clearly define the purpose, scope, impacted parties, and other relevant information of the proposed standard. An example of a SAR form can be found in Appendix B.

Sequence Considerations: Submitting a valid SAR is the first step in proposing a standard action. A requester may prepare a draft of the proposed standard, which the SC may authorize for concurrent posting with the SAR. This could be useful for a standard action with a clearly defined and limited scope or one for which stakeholder consensus on the need and scope is likely. Complex standards where broad debate of issues is required should be, presented in two stages. The first stage is the completion of a valid SAR to get agreement on the scope and purpose, the second stage is the development of the standard later in Step 6.

Requests to develop, revise, interpret, or withdraw a MRO Regional Reliability Standard shall be submitted to the SPM by completing a SAR. Actions in the remaining steps of the standards process apply to proposed new standards, revisions to existing standards, sub-regional variances, interpretations, or withdrawal of existing standards, unless explicitly stated otherwise.

The SAR is a description of the subject matter of the new or revised standard along with a proposed implementation plan and includes:

- Descriptive detail to clearly define the scope of the standard.
- A statement of the purpose of the standard
- A needs statement that provides 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 B provides a sample template of the SAR form.

The SPM shall maintain the SAR form and make it available electronically.

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 SPM electronically through the Reliability Standards Voting Process (RSVP) application and the SPM shall electronically acknowledge receipt of the SAR within 15 days. The SPM shall send the electronic acknowledgement simultaneously to the Requester and to NERC.

The SPM shall assist the Requester in developing the SAR, reviewing NERC Reliability Standards to see whether they already address the need, identify issues with interconnected regions, and verify that the SAR complies with this manual. The SPM will respond to the requester within 45 days of the request.

The SPM shall forward all properly completed SARs to the SC. The SC shall meet at established intervals to review all pending SARs. The frequency of the review process will depend on workload; in no case shall a properly completed SAR wait for SC action more than 60 days from the date of receipt.

Within [no greater than 60] days of receipt of a completed standard request, the [standards] committee shall determine the disposition of the standard request. The SC may take one of the following actions:

- Accept the standard request as a candidate for development of a new standard, revision of an existing standard, or deletion of an existing standard. The SC may, at its discretion, expand or narrow the scope of the standard request under consideration. The SC shall prioritize the development of the standard in relation to other proposed standards, as may be required based on the volume of requests and resources.

- Reject the standard request. If the SC rejects a standard request, a written explanation for rejection will be delivered to the requester within [no greater than 30] days of the decision.

- Remand the standard request back to the requester for additional work. The SPM will make reasonable efforts to assist the requester in addressing the deficiencies identified by the SC. The requester may then resubmit the modified standard request using the process above. The requester may choose to withdraw the standard request from further consideration prior to acceptance by the SC.

The status of SAR shall be tracked electronically by the SPM. The SAR and its status shall be posted for public viewing including any actions or decisions.

Step 2 - Solicit Public Comments on the SAR

Objective: Establish that there is stakeholder consensus on the need, scope and applicability of the requester's proposed standards' action.

Sequence Considerations: A SAR may be posted only after completion of Step 1. A SAR may at the discretion of the SC, be posted for comment concurrently with a draft standard (Step 6).

Once a SAR has been accepted by the SC as a candidate for the development of a new or revised standard, the SPM shall post the SAR on the RSVP Application for the purpose of soliciting public comments.

The SPM shall notify the RBB, the MRO region, NERC, and other interested parties that the SAR has been accepted by the SC and posted for comment.

Within thirty (30) days of acceptance by the SC, the SAR shall be posted electronically and comments on the SAR(s) will be accepted for a 30-day period from the date of posting. Comments will be accepted on-line using the RSVP application. The SPM will provide a copy of the comments to the Requester. In addition, comments will be visible to the RBB during the commenting period. Based on the comments, the Requester may decide to: submit the SAR for authorization, withdraw

the SAR, or revise and resubmit it to the SPM 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, with support from the SPM or SPM assigned staff, 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 SPM shall inform each objector that an appeals process exists within the MRO standards process.

While there is no established limit on the number of times a SAR may be posted for comment, the SC retains the right to reverse its prior decision and reject a SAR if it believes continued revisions are not productive. Once again, the SC shall notify the Requester in writing of the rejection and the availability of the Appeals Process. During the SAR comment process, the Requester may become aware of potential sub-Regional differences (within ~~the~~ MRO) 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

Objective: Authorize development of a standard that is consistent with the SAR and for which there is stakeholder consensus on the need, scope and applicability.

Sequence Considerations: The SC may formally authorize the development of a standards' action only after due consideration of SAR comments to determine there is consensus on the need, scope and applicability of the proposed standard.

After the public provides comments on the SAR, the Requester may decide to submit the SAR to the SC for authorization to draft the standard. The SC reviews the comments received in response to the SAR and any revisions to the SAR. The SC, 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 SC rejects a SAR, the Requester may file an appeal.

Step 4 – Formation of the SDT

Objective: Appoint a SDT that has the expertise, competencies, and diversity of views that are necessary to develop the standard.

Sequence Considerations: The SC may appoint a SDT concurrently with or after authorization of the development of a standard (Step 3).

For each new SAR, the SPM shall post a request that interested parties complete a "SDT Self-Nomination" form utilizing the RSVP application. Those individuals who

complete and submit these self-nomination forms through the RSVP will be considered for appointment to the associated SDT.

Once a SAR has been authorized by the SC to proceed to the drafting stage, the SC shall assign the development of the standard to a SDT. The SPM shall recommend a list of candidates for appointment to the team and shall submit the list to the SC. The SC shall appoint the drafting team membership within 60 days of accepting a standard request for development, modifying the recommendations of the SPM as the committee deems appropriate, and assign development of the proposed standard to the drafting team. In the event that the SC is unable to appoint a drafting team within 60 days, one shall be appointed at the earliest possible date.

The SDT shall elect a Chairman for their team. This team shall consist of a small group of people who collectively have the necessary technical expertise and work process skills.

The SPM shall assign MRO Standards Process staff personnel to assist in the drafting of the standard.

Step 5 - Draft New or Revised Standard

Objective: Develop a standard within the scope of the SAR.

Sequence Considerations: Development of the draft standard follows the authorization by the SC (Step 3) and appointment of a SDT (Step 4). Steps 5 and 6 may be iterated as necessary to consider stakeholder comments and build consensus on the draft standard.

The drafting team shall develop a work plan for completing the regional reliability standard, including the establishment of a milestone schedule for completing critical elements of the work in sufficient detail to ensure that the drafting team will meet the objectives established by the SC. The drafting team shall submit its work plan to the SC for its approval.

The drafting team shall convene periodically, either in person or by electronic means as necessary, to establish work teams (made up of members of the drafting team) as necessary, and perform other activities to complete the proposed standard within the milestone date(s) agreed upon by the SC.

The work product of the drafting team will consist of the following:

- A draft standard consistent with the standard request on which it was based.
- An assessment of the reliability impact of the standard request within the region and in neighboring regions, including appropriate input from the neighboring regions if the standard request is determined to impact any neighboring region.
- An implementation plan, including the nature, extent and duration of field-testing needed, if any.
- Identification of any existing standard that will be deleted, in part or whole, or otherwise impacted by the implementation of the draft standard.

- Technical reports, white papers and/or work papers that provide technical support for the draft standard under consideration.

The team regularly (at frequency determined by the SC) shall inform the SC of its progress in meeting a timely completion of the draft standard.

If the SDT determines that the scope of the SAR is inappropriate based on its own work and stakeholder comments, the team shall notify the SC. The SDT may recommend the scope of the standard be reduced to allow the effort to continue forward, while still remaining within the scope of the SAR. Reducing the scope defined in the SAR is acceptable if the SDT finds, for instance, that additional technical research is needed prior to developing a portion of the standard or issues need to be resolved before consensus can be achieved on a portion of the standard. In this case, the SDT shall provide detailed justification of need for reducing the scope. The SC, based on the SDT recommendation and a review of stakeholder comments, will determine if the change in scope is acceptable.

If the SDT determines it is necessary to expand the scope of the standard or to modify the scope in a way that is no longer consistent with the scope defined in the SAR, then the SDT may initiate or recommend another requester initiate a new SAR (Step 1) to develop the expanded or modified scope. At no time will a SDT develop a standard that is not within the scope of the SAR that was authorized for development.

If the SDT elects to narrow the SAR, scope or identifies issues not in the SAR scope, then a report shall be prepared and sent to the SC.

Once the standard has been drafted, the SPM in conjunction with the SC shall perform a review for quality[3] and completeness.~~:~~ The review for quality may include a legal review in conjunction with the quality review. Issues discovered after the quality review will be brought to the attention of the SDT for resolution.

Each reliability standard shall include one or more requirements, which if achieved by the applicable entities, will provide for a reliable bulk power system, consistent with good utility practices and the public interest. Each requirement shall establish an objective that is the best approach for bulk power system reliability, considering the costs and benefits of implementing the proposal. Each requirement shall be stated so as to be objectively measurable by a third party with knowledge or expertise in the area addressed by that requirement.

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Requirements should have the following characteristics:

- Each requirement shall identify what functional entity shall do what, under what special conditions (if any), for what reliability benefit.
- Each requirement should be aimed at achieving one objective and written in the 'active' voice.
- If specific results can be practically measured quantitatively, metrics should be provided within the requirement to indicate satisfactory performance.
- To the maximum extent possible the requirement shall be designed to apply throughout the interconnected MRO Bulk-Power System.

[3] See the latest NERC Quality Review Document.

The SPM shall also ensure the draft standard is within the scope and purpose identified in the SAR. This review shall occur within a 15-day period.

At the direction of the SC, the SPM shall post the new or revised standard for public comment once this review is completed. The SPM shall notify the RBB, the MRO region, NERC, and other interested parties that the new or revised standard has been posted for public comment.

Step 6 - Solicit Public Comments on Draft Standard

Objective: Receive stakeholder inputs on the draft standard for the purpose of assessing consensus on the draft standard, and modifying the draft standard as needed to achieve consensus.

Sequence Considerations:

The posting of a draft standard will occur after the appointment of a SDT and development of a draft by the team. Alternatively, a draft standard submitted by the requester may be posted for comment concurrently with the associated SAR, with the condition that the SAR and draft standard meet the requirements of this procedure and are consistent with each other. In all cases, public comments on the draft standard shall be solicited prior to the SC approving the standard going to ballot (Step 9).

Once a draft standard has been verified by the SPM to be within the scope and purpose of the SAR and in compliance with this manual, the SPM will post the draft standard **for the first formal comment period**. The posting of the draft standard will be linked to the SAR for reference. Comments on the draft standard will be accepted for a **minimum** 30-day period from the notice of posting. Comments will be accepted on-line using the RSVP application and will be viewable during the posted commenting period.

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The SDT shall develop an implementation plan for the standard that will be posted in conjunction with the standard for at least one stakeholder comment period. Once the implementation plan has been developed and posted for stakeholder comment, it shall remain part of the standard action for subsequent postings and shall be included on the ballot for the standard. The implementation plan shall describe when the standard will become effective. If the implementation is to be phased, the plan will describe which elements of the standard are to be applied to each class of responsible entities, and when. The plan will describe any deployment considerations unique to the standard, such as computer applications, measurement devices, databases, or training, as well as any other special steps necessary to prepare for and initially implement the standard.

The second formal comment period will be 45-day duration and will take place after the SDT has posted its consideration of comments and conforming changes to the associated standard using the RSVP application. Formation of the ballot pool will take place during the first 30-days of the 45-day posting and balloting, in accordance with Step 9, will occur during the last 10-days.

In all cases, public comments on the draft standard shall be solicited prior to the SC approving the standard going to ballot (Step 9).

Step 7 - Field Testing (At the discretion of the SC)

Objective: Determine if testing is required to validate the concepts, requirements, measures and compliance elements of the standard and implement that testing.

Sequence Considerations: Testing may be completed during or after Steps 1 through 6. Testing and associated analysis of results (Step 8) must be completed prior to determining whether to submit the standard to ballot (Step 9).

Taking into consideration stakeholder comments received through Step 6, the SDT may recommend to the SC or the SC may mandate that a test of one or more aspects of a standard is needed. The MRO Compliance Manager will also evaluate whether field-testing of the compliance elements of the proposed new or revised standard is needed and advise the SC. The SC will approve all field tests of proposed standards based on the recommendations of the SDT and the Compliance Manager. If needed, the SC will also request inputs on technical matters from applicable standing committees or other experts.

Once the field-testing plan is approved, the SPM will, under the direction of the SC, oversee the field-testing of the standard. Throughout the field testing process, compliance with the existing standard is required.

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, evaluations, or other SC approved method may be sufficient.

Step 8 - Analysis of the Comments and Field Test Results

Objective: Evaluate stakeholder comments and field test results to determine if there is consensus that the proposed standard should go to ballot or requires additional work.

Sequence Considerations: This step follows Steps 6 and 7 and must precede Step 9.

The SPM will assemble the comments on the draft standard and distribute those comments to the SDT. The SDT shall give prompt consideration to the written views and objections of all participants. An effort to resolve all expressed objections shall be made, and each objector shall be advised of the disposition of the objection and the reasons therefore. The SDT shall prepare a summary of the comments received and the changes made to the proposed standard as a result of these comments. The SDT shall summarize comments that were rejected by the SDT and the reason(s) that these comments were rejected, in part or whole. The summary, along with a response to each comment received will be posted on the MRO website no later than the next posting of the proposed standard. In addition, each objector will be informed that an appeals process exists within the MRO standards process.

Based on comments received, the SDT may determine there is an opportunity to achieve consensus for the standard. In this case, the SDT may elect to return to Step 5 and revise the draft for another posting. Although there is no predetermined

limit on the number of times a draft standard may be revised and posted, the SDT should ensure the potential benefits of another posting outweigh the burden on the SDT and stakeholders. Returning to Step 5 to continue working on the standard is the prerogative of the SDT, subject to SC oversight.

If the SDT determines the draft standard is ready for ballot, the SDT shall submit the draft standard to the SC with a request to proceed to balloting, along with the comments received and responses to the comments. Based on the comments received and field-testing, the SDT may include revisions that are not substantive. Substantive changes to a draft standard shall not be permitted between the last posting for stakeholder comment and submittal for ballot. A substantive change is one that directly and materially affects the intent or use of the standard. For example, adding, deleting, or revising requirements; or adding, deleting, or revising measurements for which compliance is mandatory. Any non-substantive changes such as: spelling, grammar, or formatting, made prior to going to ballot, will be identified to stakeholders at the time of the ballot notice. If the SDT determines, based on comments received, that substantive changes to the standard are required, the standard will be re-posted for comment and a notice sent to the MRO region, the RBB, NERC, and other interested parties that the revised standard has been re-posted for public comment.

When the SC receives a draft standard that has been recommended for ballot, the SC will review the standard to ensure that the proposed standard is consistent with the scope of the SAR; addresses all of the objectives cited in Steps 1-8, as applicable; and is compatible with other existing standards. If the proposed standard does not pass this review, the SC shall remand the proposed standard to the SDT to address the deficiencies. If the proposed standard passes the review, the SC shall set the proposed standard for ballot as soon as the workflow will accommodate.

If the SC or SDT determines there is insufficient consensus to ballot the standard and further work is unlikely to achieve consensus, the following may occur: (1) the SDT may recommend to the SC that standard drafting be terminated and the SAR withdrawn or (2) the SC may terminate the standard drafting and accept the withdrawal of the SAR. If the SC believes the SDT recommendation is unsubstantiated, the SC may direct other actions consistent with this procedure, such as requesting the SDT to continue or appointing a new SDT.

Step 9 - Ballot the New Revised or Withdrawal of Standard

Objective: Approve the proposed standard by vote of industry stakeholders.

Sequence Considerations: The SC may determine, upon recommendation from the SDT, that all requirements of Steps 1 through 8 have been satisfactorily met before authorizing an action to go to ballot.

If the SC decides to submit the standard to a vote, the SPM shall provide notice of such to the RBB, NERC, as well as other interested parties, and electronically post the standard, and all comments received, the responses to those comments, and an implementation plan. Once the notice for a vote has been issued, no substantive modifications may be made to the proposed standard unless the revisions are posted and a new notice of the vote is issued.

First Ballot

Each voter must be a member of the Registered Ballot Body (RBB). **Note: An individual's membership in the RBB will be in a "Pending" stage immediately following registration; in order to be able to vote, your registration must be activated, and activation may take up to 24 hours.**

The ballot will be conducted electronically through the RSVP application. In the event of balloting difficulties~~, technical or otherwise,~~ the SC will address and decide accordingly. All members of the RBB shall be eligible to vote on the associated standard except, that only one member from an entity may vote in any given segment. It is the responsibility of the entity to identify and notify the SPM of the eligible voter. The voting options are:

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

The time window for voting shall be designated when the draft standard is posted. In no case shall the voting time window start sooner than fifteen (15) and no later than thirty (30) days from the notice of the posting. The voting time window will be a period of ten (10) days.

This provides a minimum total of twenty-five (25)-days from the initial notice until the end of the voting period. Approval of a MRO Regional Reliability Standard or revision to a MRO Regional 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 the segments participating in the vote. 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.

Voting results, comments, and responses, if necessary, will be posted for public viewing as soon as practical after the balloting period closes. Voting results and comments maybe posted prior to the responses.

Balloting examples are provided in Appendix D.

Members of the RBB should submit any comments on the proposed standard during the public comment period. If any Negative votes with comments are received during the ballot period, they shall be addressed in accordance with *Step 8* and included with the re-circulation ballot.

The SPM shall assist the SDT in preparing a response to negative votes submitted with comments.

In addition, the SPM will inform each objector that an appeals process exists within the MRO standards process. A negative vote that does not contain comments does not require a response. If there are no negative votes with comments from the first

ballot, then the results of the first ballot shall stand. If however, one or more members submit negative votes with comments, regardless of whether those comments are resolved, a second ballot shall be conducted.

If a quorum of the Segments is not established, the standard shall be re-balloted, allowing ten (10) days for the ballot. If a quorum is not established with the re-ballot, the SPM shall survey the RBB to establish interest in participating in a ballot on the standard.

Second Ballot

In the second ballot (also called a "re-circulation ballot"), members of the RBB 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 RBB eligible to vote shall be permitted to reconsider and change their vote from the first ballot. Eligible voting members of the RBB that did not respond to the first ballot shall be permitted to vote in the second ballot. Only one vote will be accepted from each organization within a segment.

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 ten (10) days (to allow members to review comments and responses). The 21-day posting is not required for the second ballot. Members of the RBB may submit comments in the second ballot but no response to those comments is required.

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

The SPM 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 SPM shall post the consensus standard and the SC Chair shall present it to the BOD for consideration.

Step 10 –Board of Director (BOD) Approval of a Proposed MRO Regional Reliability Standard

Objective: To have the BOD approve the proposed new or revised, MRO Regional Reliability Standard. Once properly approved by the BOD, accepted by NERC, and accepted for filing by the applicable regulatory authorities in the United States and Canada, the Reliability Standard becomes enforceable.

Sequence Considerations: The thirty (30)-day notice prior to action by the BOD may begin concurrently with or any time after the start of the first ballot. The thirty (30)-day period shall not end any sooner than the end of the final ballot.

A MRO Regional Reliability Standard submitted for consideration to the BOD must be publicly posted and noticed no less than fifteen (15) and no more than thirty (30) days prior to action by the BOD, included with the standard is the implementation plan that was part of the posting process.

At a regular or special meeting, the BOD shall consider the proposed MRO Regional Reliability Standard. The BOD shall consider the results of the balloting and dissenting opinions. The BOD shall consider any advice offered by the MRO SC. The BOD may accept or reject a standard, but may not substantively modify a proposed MRO Regional Reliability Standard. If the BOD chooses not to propose a standard to NERC and the applicable regulatory authorities in the United States and Canada, it shall provide its reasons for not doing so. Upon acceptance of the standard, the SPM will submit the standard to NERC for approval and filing with the applicable regulatory authorities in the United States and Canada.

A MRO Regional Reliability Standard that is approved by NERC and filed with the applicable regulatory authorities shall become effective in accordance with applicable NERC and applicable regulatory proceedings. The implementation plan is included with the proposed Reliability Standard.

The SPM shall publicly post the standard, showing the final status.

Step 11 - Implementation of the MRO Regional Reliability Standard

Objective: That Organizations subject to the standard use the standard, and the compliance program incorporates the standard into its compliance monitoring and enforcement process.

Sequence Considerations: The effective date of a standard is defined in the standard implementation plan.

After approval of a MRO Regional Reliability Standard by the applicable authorities in the United States and Canada, the SPM will forward the standard to the Compliance Manager for implementation, enforcement, and monitoring by the CC which will oversee the implementation and assess the effectiveness.

V. Interpretations and Appeals

Interpretations of MRO Regional Reliability Standards

All persons who are directly and materially affected by the reliability of MRO bulk power systems shall be permitted to request an interpretation of a MRO Regional Reliability Standard. The person requesting an interpretation shall submit a ~~Standard Authorization Request~~SAR form to the SPM explaining the specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The SAR should indicate the material impact to the requesting party or others caused by the lack of clarity or a possibly incorrect

interpretation of the standard. The SPM shall provide notice to the MRO region within ten business days of such a request for interpretation.

Where practical, the SPM will assign the project to the team that developed the associated standard, or to a subset of that drafting team. Once assigned the project, the drafting team should draft and post its interpretation as quickly as practical. The interpretation is intended to provide greater clarity to an existing requirement, and should not modify the intent of the original requirement.

As soon as practical (not more than 45 days), the SDT will draft a written interpretation to the standard addressing the issues raised. The SPM shall take the draft interpretation to the SC for acceptance and coordination of a quality review. The quality review will assess whether the interpretation is clear and provides the requested clarity without expanding the requirement. The results of this review will be provided to the ~~interpretation team~~SDT and the SC. After consultation with the ~~interpretation team~~SDT, the SC will decide if the interpretation is ready for posting.

The first formal comment period shall be 30-days. The ~~interpretation team~~SDT will consider stakeholder input provided during the comment period. If substantive changes are required to the interpretation, another quality review may be required. The second formal comment period shall be 45-days. The initial ballot shall occur during the last 10 days of the 45 day comment period. Balloting shall be consistent with Step 9. Once the ballot is successful, the interpretation shall be sent to the MRO BOD for approval in accordance with Step 10. Implementation of the interpretation will be consistent with Step 11.

Withdrawal of an Interpretation

The interpretation shall stand until such time as the interpretation can be incorporated into a future revision of the regional standard or the interpretation is retired due to a future modification of the applicable requirement. If the interpretation needs to be retired, a SAR shall be prepared and submitted in accordance with Steps 8, 9 and 10 contained in this MRO Regional Reliability Standards Process Manual.

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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, or withdrawal of a MRO Regional Reliability Standard shall have the right to appeal. This appeals process applies only to the MRO Regional Reliability Standards process as defined in this manual.

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

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

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

Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant shall submit to the SPM, a complaint in writing that describes the substantive or procedural action or inaction associated with a MRO Regional Reliability Standard or the MRO Regional 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 SC resources, the SPM shall prepare a written response addressed to the appellant as soon as practical but not more than 45 days after receipt of the complaint. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response shall be made a part of the public record associated with the standard.

Level 2 Appeal

If, after the Level 1 Appeal the appellant remains unsatisfied with the resolution, and indicates such in writing to the SPM, the SPM shall convene a Level 2 Appeals Panel. This panel shall consist of five (5), panel members total appointed by the BOD. In all cases, Level 2 Appeals Panel members shall have no direct affiliation with the participants in the appeal.

The SPM 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 SC 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, or disapprove a MRO Regional Reliability Standard, as these responsibilities remain with the standard's RBB and BOD respectively. The SPM shall publicly post the actions of the Level 2 Appeals Panel.

In addition to the foregoing, a procedural objection that has not been resolved may be submitted to the BOD for consideration at the time the BOD decides whether to approve proposing a particular MRO Regional Reliability Standard for NERC consideration and eventual enforceability. 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 RBB on the MRO Regional Reliability Standard in question.

VI. Errata

Approved Reliability Standards

From time to time, an error may be discovered in an approved regional reliability standard. If the Standards Committee agrees that the correction of the error does not change the scope or intent of the associated standard, and agrees that the correction has no material impact on the end users of the standard, than the correction shall be submitted for information to the MRO Board of Directors and filed for approval with applicable governmental authorities. The MRO Board of Directors has resolved to concurrently approve any errata approved by the Standards Committee.

Errata are errors in approved standards that, if corrected, do not change the scope or intent of the associated approved standard and do not have a material impact on the end users of the standard.

1. If the error falls into one of the following categories, the SPM will produce a red line version of the standard that shows the proposed correction:

    a. A misspelled word
    b. An incorrect reference to a requirement or measure
    c. A missing word that, when added, improves readability but does not change the technical content
    d. An error that, if corrected, does not change the scope or technical content of the standard
    e. A discrepancy between the redline and clean versions of a balloted standard

2. If the error does not fall into the above categories as errata, the SC will review the standard to determine if the criticality of the error warrants actions prior to the next scheduled review of the standard.

Draft Standards

If a draft standard is found to have errata, as defined above, during an initial or recirculation ballot period; the SPM shall be allowed to make the changes. The SPM will post a redline version of the document and notify stakeholders.

Errata found during commenting periods will be handled by the commenting process as defined in steps 1 – 8 of section IV.

VII. Maintenance of MRO Regional Reliability Standards Process

Process Revisions

A request to substantively change the MRO Regional Reliability Standards Process Development process shall begin with the preparation of a SAR, and be handled using the same procedure as a request to revise a MRO Regional Reliability Standard. The exception is that a single ballot without regard to negative comments from the RBB shall be conducted and the results of that ballot will be binding. Non-substantive changes will be handled through the abbreviated process listed below. Once approved by the RBB, any proposed revisions to this manual would go to the BOD, NERC, and the applicable authorities in the United States and Canada for approval.

The BOD may make changes to the Industry Segments referenced in Appendix D. These changes shall be carried over to this process without the need to prepare a SAR. In addition, the SC may alter the document number on any existing or proposed standard without going through the MRO Regional Standards Process.

Abbreviated Process for Procedural/Administrative Changes

The SPM shall handle all procedural/administrative requests using an abbreviated process described here. The SPM shall post all proposed procedural/administrative revisions to the MRO Regional Reliability Standards Development Process for a minimum 30-day comment period. The SC shall consider all comments received and modify the proposed revisions as needed. Based on the degree of consensus for the revisions, the SC may:

a. Submit the revised procedure directly to the BOD for adoption;

b. Submit the revised procedure for ballot pool approval prior to submitting it for BOD adoption (the regular voting process in the procedure, including a re-circulation ballot if needed, would be used and the results of the ballot would be binding on the decision to move the revisions to the BOD or not);

c. Propose additional changes and repeat the posting for further comment;

d. Remand the proposal to the requester for further work; or

e. Reject the proposal.

The SPM shall post any proposed revisions submitted for BOD adoption for a period of 30 days prior to BOD action. The SC shall submit to the BOD a description of the basis for the procedure changes, a summary of the comments received, and any minority views expressed in the comment process. The proposed procedure

revisions will be effective upon BOD adoption, or another date designated by the BOD.

Five-Year Review

The standards process manual and each MRO Regional Reliability Standard shall be reviewed at least once every five (5) years from the effective date or when it was reviewed last, 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 BOD that the Standard or manual be reaffirmed. If the review indicates a need to revise or withdraw the standard or manual, a SAR shall be prepared and submitted to the SPM. The SPM shall be responsible for administration of the five (5) year review of the standards process manual and the MRO Regional Reliability Standards.

On-line Standards Information System

The SPM shall be responsible for maintaining an electronic database of information regarding currently proposed and currently in effect MRO Regional 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 Regional Reliability Standard, including public comments received during the development and approval process. This information shall be available through public Internet access.

Archived Standards Information

The SPM shall be responsible for maintaining an historical record of MRO Regional Reliability Standards information that is no longer maintained on-line. Archived information of previously approved standards and version history 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 SPM of a written request.

Numbering System

The SPM shall establish, maintain, and electronically post a system of identification numbers that allow MRO Regional Reliability Standards to be categorized and easily referenced. Re-numbering of approved standards does not warrant standard review but will be handled through the SC. The SPM will notify the MRO region and post the information on the RSVP system prior to making the change.

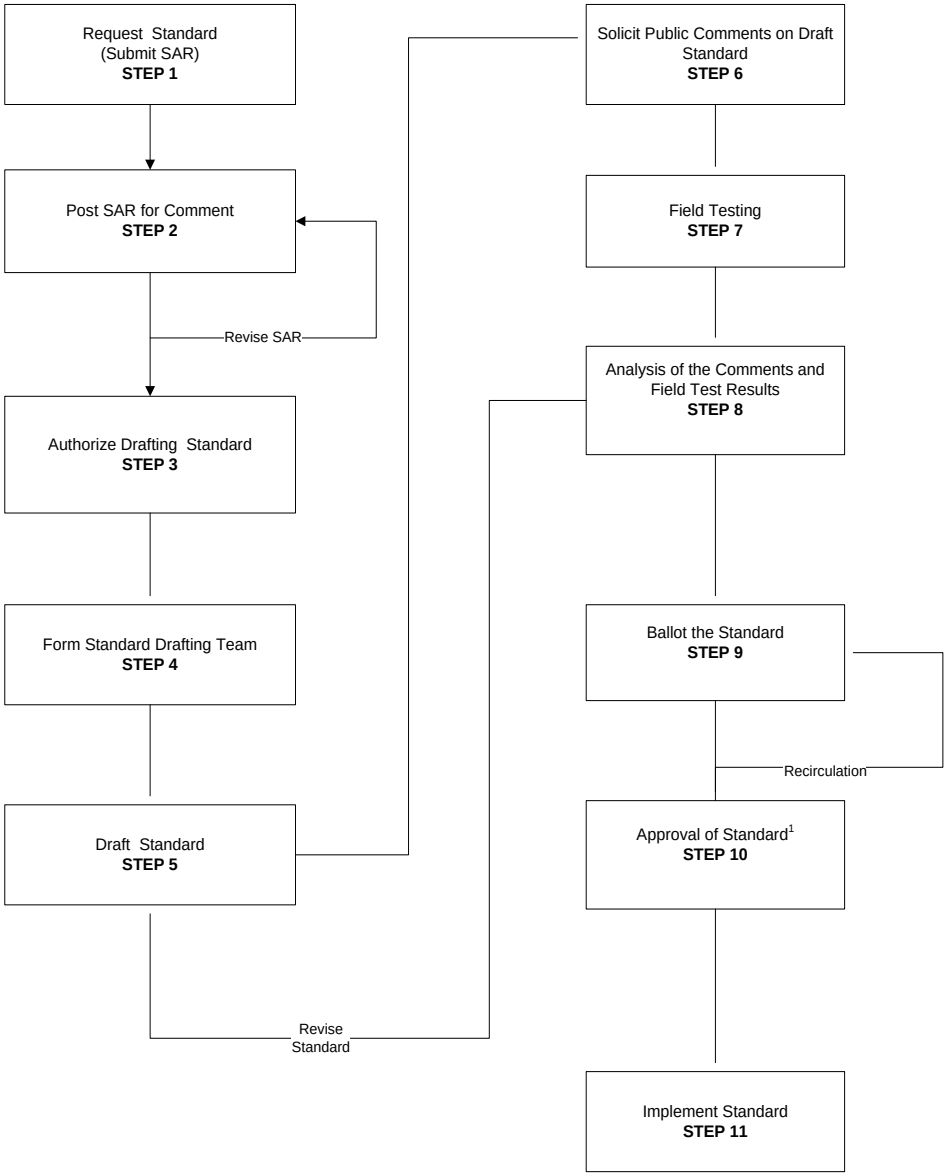
Supporting Documents

The following table identifies documents that may be developed to support a MRO Regional 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 Regional Reliability Standard. If the

procedure defines one way, but not necessarily the only way, to implement a standard it is more appropriately a reference.

Type of Document	***Description***	***Approval***
Standard Reference	Descriptive, explanatory information to support the understanding and interpretation of an MRO Regional Reliability Standard.	SC
Standard Supplement	Data forms, pro forma documents, and associated instructions that support the implementation of an MRO Regional Reliability Standard.	As assigned to the MRO Standing Committee
Procedure	Instructions defining a particular process or operation. Procedures may support the implementation of an MRO Regional Reliability Standard.	As assigned to the MRO Standing Committee
Technical Reference	Descriptive, technical information or analysis. A technical reference may support the implementation of an MRO Regional Reliability Standard.	As assigned to the MRO Standing Committee
Guideline	Recommended process that indentifies a method of meeting a requirement under specific conditions. A guideline may support the implementation of an MRO Regional Reliability Standard.	SC

Appendix A – MRO Regional Reliability Standards Process Diagram



[1]After MRO Board approval, the standard is submitted to NERC for approval and filing to the applicable regulatory authorities. Upon regulatory acceptance or approval, the standard becomes enforceable as a Reliability Standard.

Appendix B – Information in a Standard Authorization Request

Below is a template of the required information to complete a Standard Authorization Request. The SPM shall be responsible for implementing and maintaining this form as needed to support the information requirements of the standards process.

Standard Authorization Request Form

Assigned **SAR Label:** (for in office use only)

Title of Proposed Standard
Request Date

SAR Requestor Information	**SAR Type** *(Check a box for each one that applies.)*	
Name	☐	**New standard**
Primary Contact	☐	**Revision or withdraw of an existing standard**
Telephone **Fax**	☐	**Interpretation of an existing standard**
E-mail	☐	**Urgent action**
	☐	**Other**

Purpose (Describe the purpose of the standard — what the standard will achieve in support of reliability.)

Industry Need (Provide a detailed statement justifying the need for the proposed standard, along with any supporting documentation.)

Brief Description (Describe the proposed standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Reliability Functions

The Standard will Apply to the Following Functions (Check box for each one that applies.)		
☐	Reliability Coordinator	Responsible for the real-time operating reliability of its area and in coordination with its neighboring reliability coordinator's wide-area view.
☐	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 Coordinator	Assess the longer-term reliability of its area and neighboring area.
☐	Resource Planner	Develops a long-term (>one year) plan for the resource adequacy of specific loads within a planning coordinator's area.
☐	Transmission Planner	Develops a long-term (>one year) plan for the reliability of transmission systems within its portion of the planning coordinator area.
☐	Transmission Service Provider	Provides transmission services to qualified market participants under applicable transmission service agreements
☐	Transmission Owner	Owns transmission facilities.
☐	Transmission Operator	Operates and maintains the transmission facilities, and executes switching orders.
☐	Distribution Provider	Provides and operates the "wires" between the transmission system and the customer.
☐	Generator Owner	Owns and maintains generation unit(s).
☐	Generator Operator	Operates generation unit(s) and 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.
☐	Market Operator	Integrates energy, capacity, balancing, and transmission resources to achieve an economic, reliability-constrained dispatch.
☐	Load-Serving Entity	Secures energy and transmission (and related generation services) to serve the end user.

NERC Reliability and Market Interface Principles

Applicable Reliability Principles (Check box for all that apply.)	
☐	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
☐	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
☐	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
☐	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
☐	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
☐	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
☐	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
☐	8. Bulk power systems shall be protected from malicious physical or cyber attacks.

Does the proposed standard comply with all of the following Market Interface Principles? *(Select 'yes' or 'no' from the drop-down box.)*
1. The planning and operation of bulk power systems shall recognize that reliability is an essential requirement of a robust North American economy. Yes
2. A MRO regional reliability standard shall not give any market participant an unfair competitive advantage.Yes
3. A MRO regional reliability standard shall neither mandate nor prohibit any specific market structure. Yes
4. A MRO regional reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes
5. A MRO regional reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation

Regional Differences

Region	Explanation
TRE	
FRCC	
MRO	
NPCC	
SERC	
RFC	
SPP	
WECC	

Appendix C – MRO Regional Reliability Standard Example

Below is an example of a MRO Regional Reliability Standard. Please see the NERC Regional Reliability Standards Evaluation Procedure for the most current format.

Identification Number	A unique identification number assigned by the SPM.
Title	A brief, descriptive phrase identifying the topic of the MRO Regional Reliability Standard.
Applicability	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions. If not applicable to the entire MRO area, then a clear identification of the portion of the bulk power system to which the standard applies. Any limitation on the applicability of the standard based on electric facility requirements should be described.
Effective Date and Status	The effective date of the MRO Regional Reliability Standard shall be upon NERC and regulatory approvals. 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 MRO Regional Reliability Standard shall explicitly state what outcome will be achieved by the approved Reliability Standard. The purpose is agreed to early in the process as a step toward obtaining approval to proceed with the development of the Reliability Standard. The purpose should link the standard to the relevant principle(s).

Requirement(s)	Explicitly stated technical, performance, preparedness, or certification 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. Several types of requirements may exist, each with a different approach to measurement: • **Performance-based requirements** define a specific reliability objective or outcome that has a direct, observable effect on the reliability of the bulk power system, i.e., an effect that can be measured using power system data or trends. • **Risk-based requirements** define actions of entities that reduce a stated risk to the reliability of the bulk power system and can be measured by evaluating a particular product or outcome resulting from the required action. • **Capability-based requirements** define capabilities needed to perform reliability functions and can be measured by demonstrating that the capability exists as required. 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).

Violation Risk Factors	The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor in accordance with the criteria listed below: A High Risk Factor requirement (a) is one that, if violated, could directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures; or (b) is a requirement in a planning timeframe that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition. A Medium Risk Factor requirement (a) is a requirement that, if violated, could directly affect the electrical state or the capability of the bulk power system, or the ability to effectively monitor and control the bulk power system, but is unlikely to lead to bulk power system instability, separation, or cascading failures; or (b) is a requirement in a planning timeframe that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system, but is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to bulk power system instability, separation, or cascading failures, nor to hinder restoration to a normal condition. A Lower Risk Factor requirement is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or (b) is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.

Measure(s)	Each requirement shall be addressed by one or more measures. These measures will be used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure shall identify to whom the measurement applies and the expected level of performance or outcomes required demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the full compliance level of each measurement should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.

Glossary of Terms Used in Standards

Definitions of Terms:	All defined terms used in MRO Regional Reliability Standards, shall be defined in the glossary. Definitions may be approved as part of a standards action or as a separate action. All definitions must be approved in accordance with the standards process.

Compliance Administration Elements

Compliance Monitoring Process	The following compliance elements, which are part of the standard and are balloted with the standard are developed for each measure in a standard by the NERC compliance program in coordination with the standard drafting team • The specific data or information that is required to measure performance or outcomes. • The entity that is responsible for providing the data or information for measuring performance or outcomes. • The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes • The entity that is responsible for evaluating 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.
Violation Severity Levels	Defines the degree to which compliance with a requirement was not achieved. The violation severity levels, are part of the standard and are balloted with the standard, and developed by the MRO compliance program in coordination with the standard drafting team.

Supporting Information Elements

Interpretations	Formal interpretations of Regional Reliability Standard(s) proposed by the MRO and approved by NERC, FERC, and the applicable Canadian regulatory authorities. Interpretations are temporary, as the standard should be revised to incorporate the interpretation.
Implementation Plan	Each Regional Reliability Standard proposed by the MRO and approved by NERC, FERC and the applicable Canadian regulatory authorities shall have an associated implementation plan describing the effective date of the standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the standard in the compliance program and other considerations in the initial use of the standard, such as necessary tools, training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the standard.
Supporting References	This section will reference related documents that support implementation of the Reliability Standard proposed by the MRO and approved by NERC and the regulatory authorities, but are not themselves mandatory. Examples include, but are not limited to: • Developmental history of the standard and prior versions • Notes pertaining to implementation or compliance • Standard references • Standard supplements • Procedures • Practices • Guidelines • Training references • Technical references • White papers • Internet links to related information
Data Retention	Each Regional Standard shall identify the data retention requirements and assignment of responsibility for data archiving.
Mitigation Time Horizon	Each Regional Standard shall reference a mitigation time horizon (long-term planning; operations planning; same-day operations; real-time operations and operations assessment) for each requirement.
Regulatory Directives	Each Regional Standard shall be consistent with Regulatory Directives, if applicable.
NERC Reliability Standards	Each Regional Standard shall be consistent with related NERC reliability standards, as applicable.

Appendix D – Registered Ballot Body (RBB) Registration Procedures

The RBB 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 MRO designated fees associated with this program. Designated fees are defined as fees associated with the Standards Development process. At this time there are no fees for registration.

Each entity, when initially registering to join the RBB, and will self-select to belong to one or more of the segments described below.

The SPM shall review all applications for joining the RBB, 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 SC will decide disputes, with an appeal to the BOD.

In order to comment or vote you must have an active membership in the RBB. When you submit your registration request, you are placed in a "pending stage" until your account is activated. Activation of your account may take up to 24 hours. You will be unable to submit comments or vote until your account is activated.

All registrations must be done electronically via the RSVP application (http://rsvp.midwestreliability.org). There is no fee for registration at this time.

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. Only one vote per entity per segment is permitted.

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 in the RBB and is represented by a different representative. Only one vote per entity per segment registered is allowed.

- Corporations, organizations, and entities may participate freely in all subgroups.

- After their initial selection, registered participants may apply to change segments with thirty (30) days notice to the SPM. In addition, a registered participant cannot change segments during a balloting period once the participant has cast a vote or designated a proxy.

- Additionally, the SPM may change a participant segment under certain circumstances. These circumstances will be approved by the SC and posted on the RSVP.

- The qualification guidelines and rules for joining segments, as listed below, will be reviewed periodically by the SC 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, the 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 prior to casting any vote.

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 transmission companies (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), Regional Transmission Group (RTG), Independent System Operators (ISOs), Reliability Organizations, and Reliability Coordinators

a. Authorized by appropriate regulator to operate as an RTO, RTG, or ISO within or adjacent to ~~the~~ MRO.

b. Reliability Organizations certified by NERC or its successor.

c. Reliability Coordinators within or adjacent to ~~the~~ MRO.

d. 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.

e. A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

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 generation and transmission (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 as 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 a transmission dependent utility. A Transmission Dependent Utility (TDU) is defined as; an entity that relies on another entity for transmission service to service the majority of their contractual loads.

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

a. Does not include Power Marketing Administration or Federal Power Marketing Agency (PMAs) or Tennessee Valley Authority (TVA).

b. May include Public Utility Commissions (PUCs).

Appendix E – 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.

Example RBB

Segment	**Number Registered in the RBB**
1. Transmission Owners	15
2. RTO's, ISO's, RRO'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, RRO'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, RRO'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, RRO'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 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, RRO'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				

AGENDA 8
MRO Reports
d. Compliance Committee Update

A verbal update will be provided to attendees at the meeting.

AGENDA 8
MRO Reports
e. Planning Committee Update

A verbal update will be provided to attendees at the meeting.

AGENDA 8
MRO Reports
f. Operating Committee Update

A verbal update will be provided to attendees at the meeting.

AGENDA 9
NERC Reports
a. Standards Committee (SC)

Increased Stakeholder Outreach

- Provided support to the second NERC Standards and Compliance Workshop, which was held on October 26-28, 2011.
- Working with NERC staff and SC to develop a series of brief documents that provide quick facts on issues such as Rapid Development, the BES Definition, and the Reliability Standard Development Plan.
- Seeking to identify possible improvements to the NERC Standards website, with the goal of making information easier to find.

Report for NERC Board of Trustees (BOT)

The SC worked with NERC staff to develop and solicit industry support for the Reliability Standards Development Plan 2012-2014, that is scheduled for approval at the November 2011 NERC BOT meeting.

- Implementation of a new standards prioritization tool
- Process and quality innovations
- Rapid revision of standards
- Modification to Standards Process
- Roles and responsibilities for document updates
- Interpretations and Compliance Application Notices

Schedule Technical Conferences

A FERC Technical Conference is scheduled to discuss policy issues related to the reliability of the bulk power system. Two issues to be addressed: 1) progress made on addressing risks of reliability that were identified in earlier FERC technical conferences; and 2) will also explore emerging issues, including processes used by Planning Authorities and other entities, to identify reliability concerns that may arise in the course of compliance with the EPA regulations. The technical conference is scheduled for November 29, 1:00 to 5:00 p.m., and November 30, 2011, 9:00 a.m. to 4:00 p.m. ET.

A FERC Technical Conference is scheduled to discuss the Penalty Guidelines that FERC issued on September 17, 2010. The technical conference is scheduled for November 17, 2011, 1:00 p.m. to 4:30 p.m. ET.

NERC Standards Committee Materials

10/12/2011 ~ Meeting Minutes & Agenda

AGENDA 9
NERC Reports
b. Compliance and Certification Committee

Attached are notes from the September NERC Compliance and Certification Committee meeting.

Thanks,

Terry Bilke
MISO
P.O. Box 4202
Carmel, IN 46032-4202
317/249-5463

Meeting Notes
NERC Compliance & Certification Committee (CCC)

September 21, 2011 | 1 p.m. – 5 p.m. (MST)
September 22, 2011 | 8 a.m. – 12 p.m. (MST)

Meeting Highlights

- NERC is rolling out the "Find, Fix, Track and Report" initiative intended on reducing administrative burden associated with enforcement and freeing resources to focus on reliability.
- NERC 2012 CMEP will have a tiered approach to audits. All entities being audited to at least Tier 1. Higher risk entities will be audited on up to two more tiers of requirements.
- More changes to Rules of Procedure expected in 2011.
- 365 responses received to the Stakeholder Perception Survey.
- NERC and NERC Board would like to internalize much of the monitoring of NERC's conformance to its Rules of Procedure. The CCC had previously been given this responsibility by the Board and in FERC Orders.
- NERC staff is reviewing all previously issued CANs and will be posting changes along with changes to the CAN development procedure.
- There still are several vacancies on the CCC. Look for nomination letter in the near future.

Welcome and Determination of Quorum Clay Smith
NERC Anti-Trust Guidelines Ben Engelby
Public Meeting Conduct Guidelines Ben Engelby
1. Action Item Update Clay Smith
2. Roster Update Ben Engelby
3. Committee Business

a. Review and Approve CCC June Minutes Clay Smith.
Approved

b. Report of August MRC and Board of Directors Meetings Terry Bilke

- Concern about time required to process standards, NERC considering a new rapid repair process.
- ANSI is reviewing NERC's reaccreditation on their standards process.
- NERC working with committees to offload the tools they have been involved with in the past.
- Processing of violations is up 30%, NERC looking to focus more in violations that have an impact on reliability.
- NERC will be reviewing all CANs and will be implementing an appeals process.
- NERC would like to internalize some of the monitoring that is currently completed by the CCC. They will be hiring an internal auditor.

4. Subcommittee Updates

a. ERO Monitoring Subcommittee (EROMS) Ted Hobson

- Good response on the stakeholder perception survey (365 responses). Currently working on analysis of the responses.
- Concentrating on trying to have a more scientific analysis, as NERC requested.
- Questions are similar to last year's survey, so a comparison can be made.

- Results to CCC at December meeting. Full version to be provided to BOT, summary version to be proposed for public release.
- Spot-check of NERC for CMEP is scheduled Nov 16-18. Draft report to be presented at December meeting.

Workplan for 2012 not yet started.

b. Standards Interface Subcommittee (SIS) Terry Bilke

- Most SIS members have taken "standards quality review training" and are assisting in reviewing standards from a compliance perspective. Looking into the possibility of NERC holding future sessions remotely or appended to CCC meetings.
- There has been a suggestion that the CCC should be involved in the CANs process. Suggested that a quality review similar to what's done on the standards be conducted and that the CCC have one last look before it goes out.

c. Procedures Subcommittee (PROCS) Matt Goldberg

- ERO Rules of Procedure (ROP) Changes – There will be a second round of changes posted with commenting in October. Similar to concerns raised at the MRC meeting, there is a desire to hear about changes to the RoP prior to them being posted.
- PROCS working on procedure "CCCP-009 Confidentiality Protocol"

d. Organizational Registration and Certification Subcommittee (ORCS) Patti Metro

e. Nominating Subcommittee Martin Huang

- One new member from WECC to replace Steve Cobb, being put forth for BOT approval. Currently 5 voting positions vacation and 4 non-voting positions vacant.

5. Committee Business (continued)

a. Risk Based Reliability Compliance / Entity Assessment

i. NERC Update Ben Engelby

Key enforcement initiatives – find, fix track, (FFTR). Processing 63% more violations per month than 2011, so efficiency gains. Sending 50 actual violations as a test case with this filing when they send it to FERC. Same concept as the Administrative Violations Procedure. Concern is that the filing is still something of a black box from the Registered Entity perspective (which self-reports get picked as candidates for FFTR). Each region was asked to submit potential candidates. If approved, those will be included in the filing.

2012 CMEP

NERC identified a set of high risk priority reliability standards tier one, must be included in all audits, tiers 2 and 3 can be added at RE discretion. Audit scope can be expanded in advance, or while on-site, based on entity risk profile assessment, audit discretion, etc. Entity Risk Assessment profile template will be released to industry. Will be performed by RE performing audit and will be provided with 90 day notice.

ii. Risk Based Compliance Working Group (RBRCWG) Update Robert Hoopes

Finalized Team's work in August. NERC worked closely with the team and participated on team calls. It appears that this working group could assist with the rollout of FFTR.

iii. Next Steps and Support Needed from CCC

b. CANs / Interpretations Clay Smith / Ben Engelby

- All CANs previously posted as final were rewritten to have the "auditor tone".
- CAN scope – cannot expand the standard or provide new requirements. When the standard is unclear or has several interpretations, the CAN is intended to provide clarity.
- CAN process was posted for comment. Following comments provided – more detail on development process, including vetting. All issues related to CANs go into the standards issue database, so that they are considered when revising standards. Industry is concerned with the process for comments. Once submitted they go into a black box and NERC can choose whether to address them or not.
- CANs aren't approved by FERC, but Commission staff have the opportunity to review them.

c. IRC's Request for RoP Change (Third Party Intervention) Clay Smith / Matt Goldberg

d. Compliance Monitoring Activities Clay Smith

6. CCC WG & Synchronization of NERC Goals and Strategic Direction Terry Bilke

a. Identify Near-Term Priorities for CCC Support

b. Identify Item and Specific Deliverables

- This is on hold until the NERC Board decides the degree to which NERC will internalize its monitoring functions.

7. NERC Compliance Operations Update Ben Engelby

a. Compliance Enforcement Initiative

b. 2012 CMEP Implementation Plan and AML

c. AUP Spot Check

- Crowe completed a spot check of Regional Entities (Texas RE, WECC, and FRCC) and identified positive observations, exceptions and recommendations. A summary of these items for each entity were walked through.
- Restructuring RE audit program to include timely performance based assessment. On Dec. 31, 11 NERC will file and updated plan for the restructured RE Audit Program. The reports detailing these audits will be publicly released at a later date.
- Audit cycle was previously three years, but now moving to five. These were table top paperwork review audits.

d. Rules of Procedure Changes Update

8. Integrated Reliability Index (IRI) Heide Caswell

- Reliability Metrics working group has been looking at levels of risk and overall risk so that we're all on the same page regarding risk. Key concepts: developed severity risk index SRI (includes event driven index, and two other indices). Focus on high VRF standards/ There are 26 requirements with high VRFs and Severe VSLs. Over 100 metrics were recommended and this number was reduced to 18 using the SMART criteria to rank the relative importance.
- Greg Pierce has been acting a liaison between the CCC and RMWG. Purpose is to show to the industry at a high level how the BPS is operating, and where we need to focus our efforts.

9. Member Roundtable

10. Action Item Review Clay Smith

11. Future Meetings Clay Smith

a. December 7-8, 2011, Atlanta, GA
   i. Subcommittee Meetings on December 7th 8AM – 12PM
   ii. Joint SC/CCC Meeting on December 7th 12PM – 5PM
   iii. All day CCC Meeting on December 8th 8AM – 5PM
b. ~~March 7-8~~, 2012, Atlanta, GA
   Revised to March 13-15 to avoid conflicts. March 13 is hearing training
c. ~~June 6-7, 2012~~, Montreal, CA
   Revised to June 20-21 to avoid conflicts
d. ~~September 5-6~~, 2012, Atlanta, GA
   Revised to September 19-20 to avoid conflicts
e. December 5-6, 2012, Austin, TX

12. Timeline for next BOT Meeting Ben Engelby

a. CCC documents must be in word format
b. October 5, 2011 – Materials Due
c. October 19, 2011 – Materials Sent with Agendas
d. November 2-3, MRC and BOT, respectively

13. Adjourn Clay Smith

AGENDA 9
NERC Reports
c. Regional Standards Group

Coordination Amongst Regional Managers

Herbert Schrayshuen reported that the Regional Executives will have a discussion about regional standards, and will discuss whether there is a need to continue to developing them.

The regions worked together with NERC staff and the SC to develop a comprehensive project schedule for standards development projects under development. Several regions have begun to use quality reviews in their processes.

Proposal for Coordination with Regional Standards Development

Regional standards and variances, "Where to Put Requirements that Apply on Less Than a Continent-wide Basis" was developed with a goal of documenting a method of coordinating the development of regional standards and variances with continent-wide standards development efforts. The same document was distributed to the Regional Standards Group. Members of both groups have been asked to review and provide comments to their respective secretaries prior to the next meeting.

Projects

- NERC Regional Reliability Evaluation Procedure
- Regional Standard Definitions for BAL-003
    1. Governor: The electronic, digital or mechanical device that implements Primary Frequency Response of generating units/generating facilities or other system elements.

    2. Primary Frequency Response (PFR): The immediate proportional increase or decrease in real power output provided by generating units/generating facilities and the natural real power dampening response provided by Load in response to system Frequency Deviations.

AGENDA 9

NERC Reports

d. Critical Infrastructure Protection Committee

There is nothing new to report, since the NERC CIPC has not met since the last Standards Committee meeting. The next NERC CIPC meeting is scheduled for December 14-15, 2011.

AGENDA 9
NERC Reports
e. NERC Drafting Teams

i) Project 2007-17: Protection System Maintenance and Testing

The drafting team's next meeting is the week of the Standards Committee meeting. Therefore, a verbal update will be provided to attendees at the meeting.

ii) Project 2009-01: Disturbance and Sabotage Reporting

Disturbance and Sabotage Reporting Standard Drafting Team (DSR SDT)
Project 2009-01, Report of team events by Joseph DePoorter, DSR SDT Vice Chair

At the last NERC SC meeting, the NERC SC has voted me in as the DSR SDT Vice Chair since the past Chair, Bob Canada retired resulting in Brian Evens-Mongeon becoming the Chair (previously the vice chair).

To date, the DSR SDT has completed a second Quality Review by NERC and has answered all outstanding issues. The proposed EOP-004-2 event reporting brightline criteria has been aligned with the DOE (OE-417) and the NERC Events Analysis Working Group (EAWG).

The DSR SDT is looking to post for comments and vote this fall at the same time that the EAWG is looking to post their current phase updates for comment.

A webinar to explain both is presently being discussed between the DSR SDT and the EAWG.

AGENDA 10
Next Meetings
a. Approve 2012 Standards Committee Meeting Dates

Action Required: The SC will need to approve the proposed meeting dates for 2012.

1st Quarter:
February 21 - Operating Committee (OC) and Compliance Committee (CC) Meetings
February 22 - Planning Committee (PC) Meeting
February 23 – Standards Committee (SC) Meeting
March 22 - Board of Directors (Board) Meeting

2nd Quarter
May 15 - OC and CC
May 16 - PC
May 17 - SC
June 21 - Board

3rd Quarter:
August 21 - OC and CC
August 22 - PC
August 23 - SC
September 27 - Board

4th Quarter:
November 13 - OC and CC
November 14 - PC
November 15 - SC
December 13 - Board

AGENDA 11
Adjourn