

SERC Regional Standards Development Procedure

Exhibit C to the Amended and Restated Regional Entity Delegation Agreement between

**North American Electric Reliability Corporation
and
SERC Reliability Corporation**



Exhibit C – Regional Standard Development Procedure

Exhibit C sets forth SERC Reliability Corporation's standards development procedure, which NERC agrees meets the following common attributes:

COMMON ATTRIBUTE 1

Proposed regional reliability standards shall be subject to approval by NERC, as the electric reliability organization, and by FERC before becoming mandatory and enforceable under Section 215 of the FPA [add reference to any applicable authorities in Canada and Mexico]. No regional reliability standard shall be effective within the [Regional Entity Name] area unless filed by NERC with FERC [and applicable authorities in Canada and Mexico] and approved by FERC [and applicable authorities in Canada and Mexico].

COMMON ATTRIBUTE 2

[Regional Entity Name] regional reliability standards shall provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. A [Regional Entity Name] reliability standard shall be more stringent than a continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the bulk power system. A regional reliability standard that satisfies the statutory and regulatory criteria for approval of proposed North American reliability standards, and that is more stringent than a continent-wide reliability standard, would generally be acceptable.

COMMON ATTRIBUTE 3

[Regional Entity Name] regional reliability standards, when approved by FERC [add applicable authorities in Canada], shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk power system owners, operators, and users within the [Regional Entity Name] area, regardless of membership in the region.

COMMON ATTRIBUTE 4

Requester — The requester is the sponsor of the regional reliability standard request may assist in the development of the standard. Any member of [Regional Entity Name], or group within [Regional Entity Name] shall be allowed to request that a regional reliability standard be developed, modified, or withdrawn. Additionally, any entity (person, organization, company, government agency, individual, etc.) that is directly and materially affected by the reliability of

the bulk power system in the [Regional Entity Name] area shall be allowed to request a regional reliability standard be developed, modified, or withdrawn.

COMMON ATTRIBUTE 5

[Standards or other named] committee — The [Regional Entity Name] [standards] committee manages the standards development process. The [standards] committee will consider which requests for new or revised standards shall be assigned for development (or existing standards considered for deletion). The [standards] committee will advise the [Regional Entity Name] board on standards presented for adoption.

COMMON ATTRIBUTE 6A [REGISTERED BALLOT BODY APPROACH]

The registered ballot body comprises all entities or individuals that qualify for one of the stakeholder segments; are registered with [Regional Entity Name] as potential ballot participants in the voting on standards; and are current with any designated fees. Each member of the registered ballot body is eligible to vote on standards. [Each standard action has its own ballot pool formed of interested members of the registered ballot body. Each ballot pool comprises those members of the registered ballot body that respond to a pre-ballot survey for that particular standard action indicating their desire to participate in such a ballot pool.] The representation model of the registered ballot body is provided in Appendix A.]

COMMON ATTRIBUTE 7

[Regional Entity Name] will coordinate with NERC such that the acknowledgement of receipt of a standard request identified in step 1, notice of comment posting period identified in step 4, and notice for vote identified in step 5 below are concurrently posted on both the [Regional Entity Name] and NERC websites.

COMMON ATTRIBUTE 8

An acceptable standard request shall contain a description of the proposed regional reliability standard subject matter containing sufficiently descriptive detail to clearly define the purpose, scope, impacted parties, and other relevant information of the proposed standard.

COMMON ATTRIBUTE 9

Within [no greater than 60] days of receipt of a completed standard request, the [standards] committee shall determine the disposition of the standard request.

COMMON ATTRIBUTE 10

The [standards] committee 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 [standards] committee may, at its discretion, expand or narrow the scope of the standard request under consideration. The [standards] committee shall prioritize the development of 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 [standards] committee 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 standards process manager will make reasonable efforts to assist the requester in addressing the deficiencies identified by the [standards] committee. 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 [standards] committee.

COMMON ATTRIBUTE 11

Any standard request that is accepted by the [standards] committee for development of a standard (or modification or deletion of an existing standard) shall be posted for public viewing on the [Regional Entity Name] website within [no greater than 30] days of acceptance by the committee.

COMMON ATTRIBUTE 12

The standards process manager shall submit the proposed members of the drafting team to the [standards] committee. The [standards] committee shall approve the drafting team membership within 60 days of accepting a standard request for development, modifying the recommendations of the standards process manager as the committee deems appropriate, and assign development of the proposed standard to the drafting team.

COMMON ATTRIBUTE 13

At the direction from the [standards] committee, the standards process manager shall facilitate the posting of the draft standard on the [Regional Entity Name] website, along with a draft implementation plan and supporting documents, for a no less than a [30]-day comment period. The standards process manager shall provide notice to [Regional Entity Name] stakeholders and other potentially interested entities, both within and outside of the [Regional Entity Name] area, of

the posting using communication procedures then currently in effect or by other means as deemed appropriate.

COMMON ATTRIBUTE 14

The drafting team shall prepare a summary of the comments received and the changes made to the proposed standard as a result of these comments. The drafting team shall summarize comments that were rejected by the drafting team 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 [Regional Entity Name] website no later than the next posting of the proposed standard.

COMMON ATTRIBUTE 15

Upon recommendation of the drafting team, and if the [standards] committee concurs that all of the requirements for development of the standard have been met, the standards process manager shall post the proposed standard and implementation plan for ballot and shall announce the vote to approve the standard, including when the vote will be conducted and the method for voting. 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.

COMMON ATTRIBUTE 16

The standards process manager shall schedule a vote by the [Regional Entity Name] [registered ballot body/[standards] committee]. The vote shall commence no sooner than [15] days and no later than [30] days following the issuance of the notice for the vote.

COMMON ATTRIBUTE 17

The [standards] committee shall give due consideration to the work of the drafting team, as well as the comments of stakeholders and minority objections, in approving a proposed regional reliability standard for submittal to the [Regional Entity Name] board. The [standards] committee may vote to approve or not approve the standard. Alternatively, the [standards] committee may remand the standard to the drafting team for further work or form a new drafting team for that purpose.

COMMON ATTRIBUTE 18

The [standards] committee may not itself modify the standard without issuing a new notice to stakeholders regarding a vote of the modified standard.

COMMON ATTRIBUTE 19

Actions by the committee shall be recorded in the regular minutes of the committee.

COMMON ATTRIBUTE 20

Under no circumstances may the board substantively modify the proposed regional reliability standard.

COMMON ATTRIBUTE 21

Once a regional reliability standard is approved by the board, the standard will be submitted to NERC for approval and filing with FERC [and applicable authorities in Canada and Mexico.]

COMMON ATTRIBUTE 22

Open - Participation in the development of a regional reliability standard shall be open to all organizations that are directly and materially affected by the [Regional Entity Name] bulk power system reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in [Regional Entity Name], and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of drafting teams shall be open to the [Regional Entity Name] members and others.

COMMON ATTRIBUTE 23

Balanced - The [Regional Entity Name] standards development process strives to have an appropriate 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.

COMMON ATTRIBUTE 24

Inclusive — Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the bulk power system in the [Regional Entity Name] 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.

COMMON ATTRIBUTE 25

Fair due process — The regional reliability standards development procedure shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include 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 interested stakeholders.

COMMON ATTRIBUTE 26

Transparent — All actions material to the development of regional reliability standards shall be transparent. All standards development meetings shall be open and publicly noticed on the regional entity's Web site.

COMMON ATTRIBUTE 27

Does not unnecessarily delay development of the proposed reliability standard.

COMMON ATTRIBUTE 28

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

COMMON ATTRIBUTE 29

While reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that bulk power system reliability and electricity markets are inseparable and mutually interdependent, all 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 competitive electricity markets.

COMMON ATTRIBUTE 30

To ensure uniformity of regional reliability standards, a regional reliability standard shall consist of the elements identified in this section of the procedure. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

COMMON ATTRIBUTE 31

All mandatory requirements of a regional reliability standard shall be within 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.

COMMON ATTRIBUTE 32

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 [Regional Entity Name] 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.

COMMON ATTRIBUTE 33

Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure 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 measure 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.

COMMON ATTRIBUTE 34

Defines for each measure:

- 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 data or information to assess performance or outcomes.
- The time period in which performance or outcomes is measured, evaluated, and then reset.
- Measurement data retention requirements and assignment of responsibility for data archiving.
- Violation severity levels.

SERC Regional Reliability Standard Development Procedure

Revision History

Revision	Date	Comments
0	October 25, 2006	Document Origination
1	October 10, 2007	Document revised to change to a registered ballot body approach to approve standards, changed "Manager of Reliability Services" to Manager of Reliability Standards," changed the RSS meeting notice period to 21 days, changed the review period for this procedure from five to three years, and moved from the Standing Committee Executive Committees to the Standards Committee the ability to remand a SAR back to the Requester for additional work.

Responsible SERC Group(s)

SERC Standards Committee (SC)

Review and Re-Approval Requirements

This document will be reviewed every three years or as appropriate by the SERC Standards Committee for possible revision. The existing or revised document will be re-certified and distributed to all members of SERC.

List of Appendices

Appendix A: Stakeholder Representation

Appendix B: Principles, Characteristics, and Special Procedures

Appendix C: SERC Regional Reliability Standard Authorization Request Form

Appendix D: Elements of a SERC Regional Reliability Standard

Appendix E: Comment Form for Draft SERC Regional Reliability Standard

Appendix F: SERC Consideration of Comments Form

Appendix G: SERC Process Flow Diagram

Introduction

This procedure defines the process for development, revision, reaffirmation, and withdrawal of a regional reliability standard by the SERC Reliability Corporation (SERC). SERC is a regional entity authorized through an approved delegation agreement with the North American Electric Reliability Corporation (NERC) to propose regional reliability standards in accordance with Section 215 of the Federal Power Act (FPA), the U.S. Federal Energy Regulatory Commission (FERC) Order No. 672, and Title 18 § 39 of the U.S. Code of Federal Regulations (C.F.R. 18 § 39).

SERC Regional Reliability Standards apply to the planning, operation, and critical infrastructure protection of the Bulk Power System in the SERC Region. Proposed SERC Regional Reliability Standards shall be subject to approval by NERC, as the electric reliability organization, and by FERC before becoming mandatory and enforceable under Section 215 of the FPA. No SERC Regional Reliability Standard shall be effective within the SERC area unless filed by NERC with FERC and approved by FERC.

SERC Regional Reliability Standards shall provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. A SERC Regional Reliability Standard shall be more stringent than a continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not, or regional difference necessitated by a physical difference in the bulk power system. A SERC Regional Reliability Standard that satisfies the statutory and regulatory criteria for approval of proposed North American reliability standards, and that is more stringent than a continent-wide reliability standard, would generally be acceptable.

SERC Regional Reliability Standards, when approved by FERC, shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk power system owners, operators, and users within the SERC area, regardless of membership in the region.

Process Roles

Requester: The requester is the sponsor of the SERC Regional Reliability Standard request and may assist in the development of the standard. Any member of SERC, or any group (or member of a group) within SERC (i.e., committee, subcommittee, working group, study group, task force, or SERC staff), shall be allowed to request that a SERC Regional Reliability Standard be developed, modified, or withdrawn. Additionally, any entity that is directly and materially affected by the reliability of the SERC Bulk Power System shall be allowed to request that a SERC Regional Reliability Standard be developed, modified, or withdrawn.

SERC Board of Directors: The SERC Board of Directors shall consider for adoption as SERC Regional Reliability Standards, those Standards that have been developed and approved by this procedure. Once the Board adopts a SERC Regional Reliability Standard, such Standard shall be submitted to NERC for approval. When approved by NERC, it shall be submitted to FERC for approval.

SERC Staff: The SERC Manager of Reliability Standards is responsible for forwarding a request for the development, modification or withdrawal of SERC Regional Reliability Standards to the SERC Standards Committee. The SERC Staff shall facilitate all steps in this process.

SERC Standards Committee: The SERC Regional Reliability Standard Development Procedure shall be administered by the SERC Standards Committee (SC). The SERC SC is responsible for ensuring that the development, modification or withdrawal of SERC Regional Reliability Standards is in accordance with the steps in this procedure. The SERC SC will ensure the integrity of the process and the consistency of quality and completeness of the SERC Regional Reliability Standards.

SERC Standing Committees: The SERC Standing Committees will perform a high level technical review of the SAR to determine which requests for new or revised standards shall be assigned for development (or existing standards considered for deletion). The Standing Committees will appoint the standard drafting team (Responsible SERC Subgroup).

The current SERC Standing Committees are the Engineering Committee (EC), Operating Committee (OC), and Critical Infrastructure Protection Committee (CIPC). The Standing Committees are balanced stakeholder committees, inclusive of all stakeholder interests that provide for or are materially impacted by the reliability of the bulk power system. See Appendix A for the representation model of the Standing Committees.

SERC Regional Reliability Standard Development Procedure

Compliance Advisory Groups: The SERC Compliance Advisory Groups provide inputs and comments during the standards development process to ensure the measures will be effective and other aspects of the compliance program can be practically implemented.

Responsible SERC Subgroup (RSS): Responsible SERC Subgroups are teams, responsible for drafting the standard. The RSS may include technical experts and be based around a permanent SERC Standing Committee subgroup. An RSS is established expressly to draft the standard. Membership on an RSS will be assigned by the SERC EC, OC, and/or CIPC. The requester may act as the RSS, serve on the RSS, or otherwise assist the RSS. SERC membership is not a prerequisite for serving on an RSS. The RSS will:

- Develop the details of the SERC Regional Reliability Standard,
- Consider and respond to industry comments,
- Participate in forums to help build consensus on draft SERC Regional Reliability Standards,
- Assist in the implementation of approved SERC Regional Reliability Standards,
- Provide technical oversight in response to changing industry conditions, and
- Assist in the identification of the need for new SERC Regional Reliability Standards.

Registered Ballot Body (RBB): The registered ballot body votes to approve standards. The RBB comprises all entities or individuals that qualify for one of the SERC industry Sectors, and are registered with SERC as potential ballot participants in the voting on standards. SERC membership is not a prerequisite for registering with SERC as a potential ballot participant. Any entity that is directly and materially affected by the reliability of the SERC Bulk Power System shall be allowed to register as a potential ballot participant.

Each member of the registered ballot body is eligible to vote on standards. Each standard action has its own ballot pool formed of interested members of the registered ballot body.

Ballot Pool: Each standard action has its own ballot pool formed of interested members of the Registered Ballot Body. The ballot pool comprises those members of the Registered Ballot Body that respond to a pre-ballot survey for that particular standard action. The ballot pool will ensure, through its vote, the need for and technical merits of a proposed standard action and the appropriate consideration of views and objections received during the development process. The ballot pool votes to approve each standards action.

Process Steps

Note: The term “days” below refers to calendar days.

SERC will coordinate with NERC such that the acknowledgement of receipt of an accepted standard request identified in step 4, notice of comment posting period identified in step 7, and notice for vote identified in step 9 below are concurrently posted on both the SERC and NERC websites.

Step 1: Request for a new SERC Regional Reliability Standard or modification to, or withdrawal of an existing SERC Regional Reliability Standard

A request to develop, modify or withdraw a SERC Regional Reliability Standard shall be submitted, using the SERC Regional Reliability Standard Authorization Request (SAR) Form (see Appendix C), to the SERC Manager of Reliability Standards (via e-mail to regstd@serc1.org) by any member of SERC, or any group (or member of a group) within SERC (i.e., committee, subcommittee, working group, study group, task force, or SERC staff), or any entity that is directly and materially affected by reliability of the SERC Bulk Power System. The SERC SAR Form can be downloaded from the SERC website (www.serc1.org).

An acceptable SAR shall contain a description of the proposed regional reliability standard subject matter with sufficient descriptive detail of the proposed standard to clearly define the purpose, scope, impacted parties, and other relevant information. SERC Staff shall verify that the SAR Form has been adequately completed. Within 15 days of receiving the SAR, the SERC Manager of Reliability Standards or his designee will electronically acknowledge receipt of the SAR, and will forward the SAR to the SERC Standards Committee. The SERC Manager of Reliability Standards may offer the Requester suggestions regarding changes or improvements to enhance the clarity of the proposed standards work and to assist the SERC Standards Committee in understanding the requester’s intent and objectives. The requester is free to accept or reject these suggestions.

Step 2: Assignment of SERC Regional Reliability Standard Request

The Standards Committee will review the SAR to ensure it is not in conflict with or duplication of a current standard or a standards drafting effort already proposed or in progress. Within 15 days after receiving the SAR from the SERC Manager of Reliability Standards, the Standards Committee will take one of the two following actions:

SERC Regional Reliability Standard Development Procedure

- Assign the SAR to the appropriate SERC Standing Committee(s). SERC Staff will forward the SAR to the appropriate SERC Standing Committee Chair(s) and Standing Committee(s) Executive Committee.
- Remand the SAR back to the Requester for additional work. The SERC Manager of Reliability Standards will make reasonable efforts to assist the Requester in addressing the deficiencies identified by the Standards Committee. The Requester may then resubmit the modified SAR using the process above. The requester may choose to withdraw the SAR from further consideration.

Step 3: Acceptance of a SERC Regional Reliability Standard Request

Within 60 days of receipt of a completed SAR, the assigned SERC Standing Committee(s) Executive Committee(s) shall determine the disposition of the SAR. The committee may take one of the two following actions:

- Accept the SAR as a candidate for development of a new standard, revision of an existing standard, or deletion of an existing standard. The committee(s) may, at its discretion, expand or narrow the scope of the SAR under consideration. The committee(s) shall prioritize the development of standard in relation to other proposed standards, as may be required based on the volume of requests and resources.
- Reject the SAR. If the committee(s) rejects a SAR, a written explanation for rejection will be delivered to the Requester within 30 days of the decision.

Deliberations and decisions of the assigned SERC Standing Committee(s) Executive Committee(s) concerning requests shall be made and documented in accordance with the SERC Standing Committee rules and procedures then in effect.

Step 4: Posting of SERC Regional Reliability Standard Request

Any SAR that is accepted by the assigned SERC Standing Committee(s) Executive Committee(s) for development of a standard (or modification or deletion of an existing standard) shall be posted for public viewing on the SERC website within 30 days of acceptance by the committee. A notice of the posting for a 30-day comment period will be sent to all SERC Standing Committees representatives and alternates. In addition, the notice will be sent (via e-mail) to NERC, the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC), individuals listed as entity contacts in the SERC Compliance Registry, and the SERC Registered Ballot Body representatives to seek input on the proposed SAR. SERC Staff will perform this

SERC Regional Reliability Standard Development Procedure

posting on the SERC website and coordinate or send correspondences described in this and other steps of the process.

Step 5: Formation of a Responsible SERC Subgroup

Within 60 days of accepting a SAR for development, the assigned SERC Standing Committee(s) Executive Committee(s) shall assign and direct the proposal to the appropriate Responsible SERC Subgroup (RSS) to develop the draft Regional Reliability Standard. The RSS may be a permanent Standing Committee subgroup (augmented by other persons as may be appropriate to address the subject matter of the proposed standard), or a task force established expressly by the Executive Committee(s) for drafting the standard. SERC membership is not a prerequisite for serving on an RSS.

After consulting with the assigned SERC Standing Committee(s) Executive Committee(s) as necessary, the SERC Standards Committee (SC) will assign a preliminary date on which the RSS is expected to have ready a completed draft Standard and associated supporting documentation available for consideration.

Step 6: Drafting of a SERC Regional Reliability Standard

The RSS 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 RSS will meet the objectives established by the SC. The RSS shall submit its work plan to the SC for its concurrence.

The RSS shall convene periodically, either in person or by electronic means as necessary, establish work teams (made up of members of the RSS) as necessary, and perform other activities to complete the proposed standard within the milestone date(s) agreed upon by the SC. All RSS meetings or portions of meetings associated with development of the draft standard shall be open and publicly noticed on the SERC website for a minimum of twenty-one (21) calendar days prior to the meeting. All RSS meeting attendees are required to register via the SERC website.

The RSS shall consider all comments received on the posting of the SAR and shall develop a draft SERC Regional Reliability Standard that will address the accepted SAR. The RSS shall use the SERC Regional Reliability Standards Format Template as the format for the draft standard (see Appendix D). The SERC Regional Reliability Standards Format Template can be downloaded from the SERC website (www.serc1.org).

The work product of the RSS will consist of the following:

- A draft Standard consistent with the SAR on which it was based.

SERC Regional Reliability Standard Development Procedure

- An assessment of the impact of the standard on neighboring regions, and appropriate input from the neighboring regions if the standard is determined to impact any neighboring region.
- An implementation plan, including the nature, extent and duration of field-testing, 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.
- Documentation of the perceived reliability impact should the Standard be approved.

The RSS shall regularly inform the SC, at a frequency determined by the SC, of its progress in meeting a timely completion of the draft standard. The RSS may, with justification, request of the SC scope changes from the SAR at any point in the standard development process.

The RSS shall submit the draft SERC Regional Reliability Standard and supporting documentation to the SC for review. The RSS will send any revised SERC Regional Reliability Standard to the SC in both “Clean” and “Tracking” formats. The RSS shall also send the SC an accompanying Comments Form which may include specific questions addressing the major issues associated with the new or revised standard. In any event, the Comments Form must also allow for general comments on the standard (see Appendix E for sample form). The SC will verify that the proposed standard is consistent with the SAR on which it was based. The SERC Regional Reliability Draft Standards Comments Form can be downloaded from the SERC website (www.serc1.org).

Step 7: Posting of a Draft SERC Regional Reliability Standard

The SERC Standards Committee shall send to the SERC Manager of Reliability Standards the draft SERC Regional Reliability Standard, along with a draft implementation plan and supporting documents, for comments. SERC Staff will post these documents on the SERC website for thirty (30) calendar days. A notice of the posting for comment will be sent to all SERC Standing Committees representatives and alternates. In addition, the request will be sent (via e-mail) to NERC, the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC), individuals listed as entity contacts in the SERC Compliance Registry, and the SERC Registered Ballot Body representatives to seek input on the draft SERC Regional Reliability Standard. Comments shall be submitted electronically (via e-mail) to regstd@serc1.org. All comments are due by the close of business on the 30th calendar day of posting. If the comment due date falls on a weekend or nationally recognized holiday, the comments shall be due by the close of business on the next regularly scheduled business day.

Step 8: Standard Drafting Team Review of Comments

SERC Staff shall forward all comments received to the RSS and SC. The SC may review comments and make recommendations concerning them. Any SC recommendation will be forwarded to the RSS. The RSS shall review the comments received and revise the draft SERC Regional Reliability Standard as needed. The RSS shall develop a written response to each comment received using the Consideration of Comments Form Template (see Appendix F). The SERC Consideration of Comments Form Template can be downloaded from the SERC website (www.serc1.org). The completed Consideration of Comments Form will be posted on the SERC website.

The RSS shall summarize comments that were rejected by the RSS and the reason(s) that these comments were rejected, in part or whole. The RSS shall submit to the SC the summary of comments rejected, the completed Consideration of Comments form, and any resulting revisions to the draft SERC Regional Reliability Standard.

If needed, a second draft of the SERC Regional Reliability Standard (along with the summary of comments rejected and the Consideration of Comments from the previous posting) will be posted for another comment period. Such comment period shall be for thirty (30) calendar days. A notice of the posting for comment will be sent to all SERC Standing Committees representatives and alternates. In addition, the notice will be sent (via e-mail) to NERC, the Region Managers of the Regional Reliability Organizations adjoining SERC (RFC, MRO, SPP, and FRCC), individuals listed as entity contacts in the SERC Compliance Registry, and the SERC Registered Ballot Body representatives to seek input on the revised draft SERC Regional Reliability Standard.

Based on comments received to the posting, Step 7 will be repeated as necessary until the RSS and the SC believe the draft SERC Regional Reliability Standard is ready to submit to the SERC Ballot Body for approval.

Step 9: Notice of Vote to Approve a SERC Regional Reliability Standard

The Responsible SERC Subgroup shall submit the summary of comments rejected and the Consideration of Comments document along with the final draft of the proposed SERC Regional Reliability Standard (both “Tracking” and “Clean” versions for standard revisions) to the SERC Manager of Reliability Standards for posting on the SERC website at least 15 days prior to requesting approval of the standard.

The SERC Manager of Reliability Standards shall post the proposed standard and implementation plan for ballot and shall announce the vote to approve the standard, including when the vote will be conducted and the method for voting. 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.

SERC Regional Reliability Standard Development Procedure

Ballot Pool: The SERC Manager of Reliability Standards shall establish a ballot pool for a standard action at least 15 days prior to the start of a ballot. The SERC Manager of Reliability Standards shall send a notice to every entity in the Registered Ballot Body. The purpose of this notice is to establish a ballot pool to participate in the ballot of the proposed standards action.

Any member of the Registered Ballot Body may join or drop out of a ballot pool until the ballot period begins (Step 10). No Registered Ballot Body member may join or leave the ballot pool once the first ballot starts. The SERC Manager of Reliability Standards shall coordinate changes to the membership of the ballot pool and publicly post the standard ballot pool for each standard action.

The SERC Manager of Reliability Standards shall schedule a vote by the ballot pool for approval. The vote shall commence no sooner than 15 days and no later than 30 days following the issuance of the notice for the vote.

Step 10: SERC Ballot Pool of Registered Ballot Body Approval

The Ballot Pool shall have a minimum of ten (10) days to vote on a standards action. The Ballot Pool should give due consideration to the work of the RSS, as well as the comments of stakeholders and minority objections, in approving a proposed regional reliability standard. The Ballot Pool may vote to approve or not approve the standard.

Once approved, the SERC Regional Reliability Standard along with the proposed implementation plan and supporting documentation will be submitted by the SERC President, or the President's designee, to the SERC Board of Directors for adoption.

If approval by the RBB is not obtained, the Standing Committee(s) will determine if the draft SERC Regional Reliability Standard is to be sent back to the RSS to repeat Step 8 to incorporate any RBB or SERC Standing Committee(s) comments, form a new RSS for that purpose, or to take no further action on the proposed SERC Regional Reliability Standard.

If no further action is taken, the reason for such will be posted on the SERC website. A notice of the posting will be sent to all SERC Standing Committee representatives and alternates. In addition, the notice will be sent (via e-mail) to NERC, the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC), individuals listed as entity contacts in the SERC Compliance Registry, and the SERC Registered Ballot Body representatives.

Step 11: Adoption of SERC Regional Reliability Standards by the SERC Board of Directors

The SERC Board of Directors shall consider adoption of any SERC Regional Reliability Standard that has been approved by the SERC RBB. A SERC Regional Reliability Standard submitted for adoption by the SERC Board of Directors must be posted for notification on the SERC website at least 15 days prior to action by the SERC Board of Directors. A notice of the posting will be sent to all SERC Board of Directors representatives and alternates, and to all SERC Standing Committee representatives and alternates. In addition, the notice will be sent (via e-mail) to NERC, the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC) and to any entity that is directly and materially affected by the reliability of the SERC Bulk Electric System.

The SERC Board of Directors shall consider the comments received, the responses provided, and any dissenting opinions. The SERC Board of Directors shall adopt or reject a SERC Regional Reliability Standard as submitted, but may not substantively modify the proposed SERC Regional Reliability Standard.

If the SERC Board of Directors chooses to reject a SERC Regional Reliability Standard as submitted, it shall provide its reasons for doing so. The reasons for such decision will be posted on the SERC website. A notice of the posting will be sent to all SERC Standing Committees representatives and alternates. In addition, the notice will be sent (via e-mail) to NERC, the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC), individuals listed as entity contacts in the SERC Compliance Registry, and the SERC Registered Ballot Body representatives. The assigned Standing Committee(s) will determine if the draft standard should be resubmitted with modifications. If so, the draft standard will be remanded back to the RSS in Step 8 above.

Step 12: Submission of SERC Regional Reliability Standards to NERC and FERC

Once the SERC Regional Reliability Standard is adopted by the SERC Board of Directors, the SERC President, or the President's designee shall submit the SERC Regional Reliability Standard to NERC for approval and filing with FERC. NERC will post the SERC Regional Reliability Standard for comments. The Responsible SERC Subgroup will develop a response to any comments and submit it to the Standards Committee for approval. When the Responsible SERC Subgroup response is approved by the Standards Committee, the SERC President, or the President's designee will forward the comments to NERC for consideration by the NERC Board. If the NERC Board rejects the SERC Regional Reliability Standard the SERC Board will determine if the SERC Regional Reliability Standard is to be sent back to the assigned SERC

SERC Regional Reliability Standard Development Procedure

Standing Committee(s) to incorporate the NERC Board comments or to take no further action on the standard.

When approved by the NERC Board, NERC will submit the SERC Regional Reliability Standard to FERC for approval. If FERC rejects the SERC Regional Reliability Standard, the SERC Board will determine if the SERC Regional Reliability Standard is to be sent back to the assigned SERC Standing Committee(s) to incorporate the FERC comments or to take no further action on the standard.

Step 13: Implementation of SERC Regional Reliability Standards

A SERC Regional Reliability Standard that is adopted by the SERC Board of Directors, NERC, and FERC, shall become effective on a date designated by FERC. In developing the standard, the RSS should consider the time needed for NERC and FERC approval in the proposed implementation date.

Appendix A: Stakeholder Representation

A.1 SERC Standing Committees and Member Representation

Membership in SERC is open to any entity that is a user, owner or operator of the Bulk-Power System and subject to the jurisdiction of the Federal Energy Regulatory Commission for the purpose of complying with Reliability Standards established under Section 215 of the Federal Power Act and all amendments thereto. SERC's membership policy permits full and fair participation of all members through their representatives, including in the development of and voting on Regional Reliability Standards. The SERC standing committees have a role in developing standards, a ballot pool of the SERC Registered Ballot Body vote to approve Regional Reliability Standards, and the SERC Board of Directors adopts all standards. Since each member is entitled to representation on both the Board and the Standing Committees, SERC's membership policy permits full and fair participation of its members.

The following are excerpts from the SERC Reliability Corporation Bylaws. Section 8.1 establishes the Standing Committees and SERC Member representation on those committees. Section 8.2 specifies committee voting rights will be based on the same method as adopted by the SERC Board of Directors, and refers to the Organization and Procedures Manual for SERC Standing Committees for more specific details.

8.1 Designation by Board. The Board of Directors, by resolution adopted by a Bicameral Simple Majority, may designate standing and special (ad hoc) committees, as shall be necessary to address the purposes of the Corporation. Such committees shall include, but are not limited to the following:

(a) Engineering Committee -- The purpose of this committee shall be to promote the reliability and adequacy of the Bulk-Power System, as related to the planning and engineering of electric systems. The committee shall provide a mechanism for the coordination of activities in the areas of planning and engineering.

b) Operating Committee -- The purpose of this committee shall be to promote the reliability and adequacy of the Bulk-Power System, as related to the operation of electric systems. The committee shall provide a mechanism for the coordination of activities in the area of operations.

(c) Critical Infrastructure Protection Committee -- The purpose of this committee shall be to promote the advancement of the physical and cyber security of the Bulk-Power System. It serves as an expert advisory panel in the areas of physical and cyber security, establishes and maintains an information reporting procedure, provides a liaison with state government agencies, and conducts forums and workshops related to Critical Infrastructure Protection.

SERC Regional Reliability Standard Development Procedure

Each Member is entitled, but not required, to name both a representative and alternate to the committees designated in this Section 8.1.

8.2 Voting Rights for Committees. Except as otherwise provided for in these Bylaws, voting rights for the Committees established pursuant to Section 8.1 shall be based on the same method as adopted by the Board of Directors of the Corporation. Operating procedures, definitions for quorum, and votes for approval are contained in the Organization and Procedures Manual for the Corporation's Standing Committees.

A.2 SERC Regional Reliability Standards Voting Procedures

The following are the voting procedures for the SERC Registered Ballot Body:

1. Registration Procedures

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

- Qualify for one of the SERC Sectors, and
- Are registered with SERC as potential ballot participants in the voting on standards.

All registrations will be done electronically. Each participant, when initially registering to join the RBB will self-select to belong to one of the Sectors and will also name their RBB representative. The Executive Committee of the Board of Directors will review all applications for joining the Registered Ballot Body, and make a determination of whether the self-selection satisfies the criteria to belong to that sector. The Sectors shall be identical to those in Section 3.4 of the SERC's Bylaws.

All registered organizations and entities that qualify for a Sector with SERC may vote on a standard. Voting is in writing with each registered stakeholder (a "stakeholder") having one vote. The stakeholder's RBB representative will have the right to register to participate in ballot pools and cast the stakeholder's vote.

2. Sector Qualification Guidelines

The sector qualification guidelines are inclusive; i.e., any entity with a legitimate interest in the reliability of the SERC bulk power system that can meet the criteria for a sector as defined in Section 3.4 of the SERC's Bylaws is entitled to belong to and vote in that sector. The general guidelines are:

- Corporations or organizations with affiliates that qualify to belong to more than one sector (e.g., Investor-Owned Utility and Merchant Electricity Generator) may belong to each of the sectors in which they qualify, provided that each sector constitutes a separate membership and is represented by a

different representative.

- At any given time, affiliated entities may collectively be registered only once within a sector.
- Any individual currently employed by an organization that is eligible to join one of the other seven sectors, shall not be qualified to join as a “customer” in the ISO-RTO/Customer sector.

3. Definitions

Individual Vote – shall mean a single vote accorded to each stakeholder.

4. Quorum

Two-thirds of the Individual Votes of the Ballot Pool shall constitute a quorum.

5. SERC Registered Ballot Body Voting Requirements

A ballot pool will be established to participate in the ballot of any proposed standards action. Approval of a reliability standard or revision to a reliability standard requires the affirmative vote of a two thirds majority of the weighted Sector votes cast. The number of votes cast in each Sector is the sum of affirmative and negative votes, excluding abstentions and non-response.

The following process is used to determine if there are sufficient affirmative votes.

- The number of affirmative votes cast in each Sector will be divided by the sum of affirmative and negative votes cast to determine the fractional affirmative vote for each Sector. Abstentions and non-responses will not be counted for the purposes of determining the fractional affirmative vote for a Sector.
- The fractional affirmative vote for a Sector is then multiplied by the Sector weight factor, to determine the weighted fractional affirmative vote for a Sector. The weight factors for the Sectors are:
 - Investor-Owned Utility Sector: weight factor is 3.
 - Federal/State Sector: weight factor is 2.
 - Cooperative Sector: weight factor is 2.
 - Municipal Sector: weight factor is 2.
 - Marketer Sector: weight factor is 1.
 - Merchant Electricity Generator Sector: weight factor is 1.
 - ISO-RTO/Customer Sector: weight factor is 1.
- The sum of the weighted fractional affirmative votes from all Sectors divided by the sum of the weights of the Sectors voting will be used to determine if a two-thirds majority has been achieved. (A Sector will be considered as “voting” if any member of the Sector in the ballot pool casts either an

SERC Regional Reliability Standard Development Procedure

- affirmative or a negative vote.)
- A standard will be approved if the sum of weighted fractional affirmative votes from all Sectors divided by the sum of the weights of the voting Sectors is two-thirds or greater.

Appendix B: Principles, Characteristics, and Special Procedures

Principles

SERC develops regional standards with due consideration of the following principles, in accordance with the steps outlined in this procedure. This procedure has been designed to ensure that any SERC Regional Reliability Standard is technically sound and the technical specifications proposed will achieve a valuable reliability objective.

The SERC Regional Reliability Standards Development Procedure has the following characteristics:

- **Open:** Participation in the development of a SERC Regional Reliability Standard shall be open to all organizations that are directly and materially affected by the SERC bulk power system reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in SERC, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of the Responsible SERC Subgroup assigned to draft a standard shall be open to the SERC members and others.
- **Balanced:** The SERC Regional Reliability Standards Development Procedure strives to have an appropriate 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.
- **Inclusive:** Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the bulk power system in the SERC area shall have a right to participate by: a) expressing a position and its basis, b) having that position considered, c) registering as a potential ballot participant and voting on a proposed standard; and d) having the right to appeal.
- **Fair due process:** The SERC Regional Reliability Standards Development Procedure provides for reasonable notice and opportunity for public comment. This 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 interested stakeholders.
- **Transparent:** All actions material to the development of SERC Regional Reliability Standards shall be transparent. All standards development meetings shall be open and publicly noticed on the SERC Web site.
- **Due Course:** Does not unnecessarily delay development of the proposed SERC Regional Reliability Standard.

SERC Regional Reliability Standard Development Procedure

NERC has adopted reliability principles and market interface principles to define the purpose, scope, and nature of reliability standards. These principles are to be used to guide the development of reliability standards, including regional reliability standards. The NERC Board of Trustees may modify these principles from time to time, as necessary, to adapt its vision for reliability standards.

- Each SERC Regional Reliability Standard shall enable or support one or more of the reliability principles, thereby ensuring that each standard serves a purpose in support of the reliability of the regional bulk power system. Each standard shall also be consistent with all of the reliability principles, thereby ensuring that no standard undermines reliability through an unintended consequence.
- While reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that bulk power system reliability and electricity markets are inseparable and mutually interdependent, all SERC 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 competitive electricity markets.

Regional Reliability Standard Characteristics and Elements

Characteristics of a SERC Regional Reliability Standard

The following characteristics describe objectives to be considered in the development of SERC Regional Reliability Standards:

1. **Applicability:** Each SERC Regional Reliability Standard clearly identifies the functional classes of entities responsible for complying with the standard, with any specific additions or exceptions noted. Such functional classes include: reliability coordinators, balancing authorities, transmission operators, transmission owners, generator operators, generator owners, interchange authorities, transmission service providers, market operators, planning authorities, transmission planners, resource planners, load-serving entities, purchasing-selling entities, and distribution providers. Each SERC Regional Reliability Standard identifies the geographic applicability of the standard. A standard may also identify any limitations on the applicability of the standard based on electric facility characteristics.
2. **Reliability Objectives:** Each SERC Regional Reliability Standard has a clear statement of purpose that describes how the standard contributes to the reliability of

SERC Regional Reliability Standard Development Procedure

the bulk power system.

3. **Requirement or Outcome:** Each SERC Regional Reliability Standard states 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.
4. **Measurability:** Each performance requirement is stated so as to be objectively measurable by a third party with knowledge or expertise in the area addressed by that requirement. Each performance requirement has one or more associated measures used to objectively evaluate compliance with the requirement. If performance can be practically measured quantitatively, metrics are provided to determine satisfactory performance.
5. **Technical Basis in Engineering and Operations:** Each regional reliability standard is based upon sound engineering and operating judgment, analysis, or experience, as determined by expert practitioners in that particular field.
6. **Completeness:** Each SERC Regional Reliability Standard is complete and self-contained. Supporting references may be provided with standards, but they are not part of the standard and do not impose mandatory requirements.
7. **Clear Language:** Each SERC Regional Reliability Standard is stated using clear and unambiguous language. Responsible entities, using reasonable judgment and in keeping with good utility practice, are able to arrive at a consistent understanding of the required performance.
8. **Practicality:** Each SERC Regional Reliability Standard establishes requirements that can be practically implemented by the assigned responsible entities within the specified effective date and thereafter.
9. **Consistent Terminology:** To the extent possible, SERC Regional Reliability Standards use a set of standard terms and definitions that are approved through the SERC Regional Reliability Standard Development Procedure.

Although regional reliability standards have a common format and process, several types of standards may exist, each with a different approach to measurement:

- Technical standards are related to the provision, maintenance, operation, or state of electric systems, and will likely contain measures of physical parameters that are technical in nature.
- Performance standards are related to the actions of entities providing for or impacting the reliability of the bulk power system, and will likely contain measures of

SERC Regional Reliability Standard Development Procedure

the results of such actions or qualities of performance of such actions.

- Preparedness standards are related to the actions of entities to be prepared for conditions that are unlikely to occur, but are nonetheless critical to reliability, and will likely contain measures of such preparations or the state of preparedness.

Elements of a SERC Regional Reliability Standard

To ensure uniformity of SERC Regional Reliability Standards, a SERC Regional Reliability Standard shall consist of the elements identified in Appendix D of this procedure. 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 the SERC Regional Reliability Standard if different from the elements listed in Appendix D. This is to ensure all essential elements are contained in the SERC standard to achieve consistency and uniformity and meet all statutory requirements. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

All mandatory requirements of a SERC Regional Reliability Standard shall be within 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.

Maintenance of the SERC Regional Reliability Standards Development Procedure

Any member of SERC, or group (or member of a group) within SERC (i.e., committee, subcommittee, working group, study group, task force, or SERC staff), or any entity that is directly and materially affected by the reliability of the SERC Bulk Power System may submit a written request to modify the SERC Regional Reliability Standard Development Procedure. The Manager of Reliability Standards shall oversee the handling of the request.

Significant changes to this procedure shall be addressed using the same procedure as a request to develop, modify, or withdraw a SERC Regional Reliability Standard.

For any minor changes to this procedure, the SERC Standards Committee shall review the request and submit recommendations to the SERC Board of Directors for consideration. The SERC Board of Directors, on its own motion, may amend the SERC Regional Reliability Standard Procedure.

Maintenance of SERC Regional Reliability Standards

Each SERC Regional Reliability Standard shall be reviewed at least once every five (5) years. The review date will be determined from the effective date or the latest revision

SERC Regional Reliability Standard Development Procedure

date, whichever is later. The review process shall be conducted in accordance with Steps 1 through 13 of the SERC Regional Reliability Standard Development Procedure. As a result of this review, a SERC Regional Reliability Standard shall be reaffirmed, revised, or withdrawn.

Interpretations of Standards

Any member of SERC, or group within SERC, or an entity that is directly and materially affected by reliability of the SERC Bulk Electric System shall be permitted to request an interpretation of a SERC Regional Reliability Standard or regional criteria documented in a SERC Standing Committee Document. Any such entity shall also be permitted to request implementation guidance regarding how the SERC compliance program will be measuring and enforcing a NERC Reliability Standard¹. The entity requesting an interpretation or implementation guidance shall send a request to regstd@serc1.org explaining the specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The request should indicate the material impact to the requesting party, or others, caused by the lack of clarity or a possible incorrect interpretation. SERC Staff will forward requests for interpretations to the appropriate SERC Standing Committee Chair(s), who will assign a Responsible SERC Subgroup with the relevant expertise to address the clarification.

As soon as practical [but not more than forty-five (45) calendar days following the receipt of the request], the assigned subgroup will draft a written interpretation of the SERC Regional Reliability Standard or regional criteria addressing the issues raised. The interpretation will be submitted to the appropriate SERC Standing Committee(s) Executive Committee for review.

As soon as practical [but not more than twenty (20) calendar days following the receipt of the written interpretation from the RSS], the SERC Standing Committee Executive Committee will develop a written recommendation to the SERC Executive Committee concerning approval of the interpretation. The SERC Standing Committee Executive Committee must recommend either that 1) the RSS written interpretation; or 2) a revision of that interpretation be approved. The recommendation, the RSS written interpretation, and any revised interpretation will be forwarded to the SERC Executive Committee.

If approved by the SERC Executive Committee, the interpretation is appended to the SERC Regional Reliability Standard or SERC regional criteria and is effective immediately. The interpretation will stand until such time as the SERC Regional Reliability Standard or SERC Standing Committee Document is revised through the normal process, at which time the SERC Regional Reliability Standard or SERC

¹ This is different than requesting an interpretation of the meaning of a NERC Reliability Standard itself, which must be addressed through the NERC process by submitting a request for interpretation to NERC.

SERC Regional Reliability Standard Development Procedure

Standing Committee Document will be modified to incorporate the clarifications provided by the interpretation.

Requests for implementation guidance regarding how the SERC compliance program will be measuring and enforcing a NERC Reliability Standard will be forwarded to the SERC Compliance staff. The SERC Compliance staff will assign the request to the applicable compliance advisory group to develop appropriate implementation guidance. As soon as practical [but not more than forty-five (45) calendar days following the receipt of the request], the assigned compliance advisory group will draft written implementation guidance for review by the SERC Compliance staff. The SERC Compliance staff will notify the requestor of the approved implementation guidance.

Appeals

Any member of SERC or any entity that is directly and materially affected by the reliability of the SERC Bulk Electric System that believes it has been or will be adversely affected by any substantive or procedural action or inaction related to the development, approval, revision, or withdrawal of a SERC Regional Reliability Standard shall have the right to appeal. This appeals process applies only to the SERC 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 thirty (30) calendar days of the date of the action purported to cause the adverse effect. The final decisions of any appeal shall be documented in writing and posted on the SERC Member website. A notice of the posting will be sent to all SERC Board of Directors representatives and alternates, and to all SERC Standing Committees representatives and alternates. In addition, the notice will be sent (via e-mail) to the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC) and to any entity that is directly and materially affected by the reliability of the SERC Bulk Electric System.

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 this appeals process. The appellant submits to the SERC President a complaint in writing that describes the substantive or procedural action associated with a SERC Regional Reliability Standard or the SERC Regional Reliability Standards Process. The appellant must describe in the complaint the actual or potential adverse impact to the appellant.

Assisted by any necessary staff and the Standards Committee, the SERC President, or the President's designee shall prepare a written response addressed to the appellant as soon as practical but not more than forty-five (45) calendar days after receipt of the complaint. If the appellant accepts the response as a satisfactory resolution of the

SERC Regional Reliability Standard Development Procedure

issue, both the complaint and response will be made a part of the record associated with the SERC Regional Reliability Standard.

Level 2 Appeal

If after the Level 1 Appeal, the appellant remains unsatisfied with the resolution, notification shall be made in writing to the SERC President within fifteen (15) calendar days of the affected entity's Level 2 Appeal to the SERC Executive Committee. In all cases, no SERC Executive Committee members that have any direct affiliation with the participants in the appeal will participate in the Level 2 Appeal.

SERC Staff shall post on the SERC website the notice of the Level 2 appeal and other relevant materials at least fifteen (15) calendar days prior to consideration of the Level 2 appeal by the SERC Executive Committee.

In addition to the appellant, any entity that is directly and materially affected by the reliability of the SERC Bulk Electric System, and who is directly and materially affected by the substantive or procedural action referenced in the complaint shall be heard by the SERC Executive Committee. The SERC Executive Committee shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 Appeal.

The Executive Committee may direct the Standards Committee to research and/or advise it on technical issues or matters related to the appeal. Each appellant, any entity that is directly and materially affected by the reliability of the SERC Bulk Electric System, and who is directly and materially affected by the substantive or procedural action referenced in the complaint may request that an ad-hoc committee be formed to assist the Executive Committee in its review.

The SERC Executive Committee may in its decision find for the appellant and remand the issue to the SERC Standards Committee for resolution with a statement of the issues and facts in regard to which fair and equitable action was not taken.

The SERC Executive Committee 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 actions of the SERC Executive Committee shall be posted on the SERC website. A notice of the posting will be sent to the appellant, all SERC Board of Directors representatives and alternates, and all SERC Standing Committees representatives and alternates. In addition, the notice will be sent (via e-mail) to the Region Managers of the Regional Entities adjoining SERC (RFC, MRO, SPP, and FRCC) and to any entity that is directly and materially affected by the reliability of the SERC Bulk Electric System.

SERC Regional Reliability Standard Development Procedure

Appendix C: SERC Regional Reliability Standard Authorization Request Form (Latest approved version of form is posted on the SERC website: www.serc1.org)

SERC to complete

ID
Authorized for Posting
Authorized for Development

Title of Proposed Standard:
Request Date:

SAR Originator Information

Name	SAR Type (Check box for one of these selections.)	
Company	<input type="checkbox"/>	New Standard
Telephone	<input type="checkbox"/>	Revision to Existing Standard
Fax	<input type="checkbox"/>	Withdrawal of Existing Standard
E-mail	---	-----

Purpose (Describe the purpose of the proposed 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.)

SERC Regional Reliability Standard Development Procedure

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

Justification for Regional Variation (Provide a detailed statement justifying the need for the proposed Standard specifically identifying the need for a regional variation.)

Reliability Functions

The Standard will Apply to the Following Functions (Check box for each one that applies.)

	Reliability Authority	The entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.
	Balancing Authority	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
	Interchange Authority	Authorizes valid and balanced Interchange Schedules
	Planning Authority	The responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.
	Transmission Service Provider	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable transmission service agreements.
	Transmission Owner	The entity that owns and maintains transmission facilities.

SERC Regional Reliability Standard Development Procedure

	Transmission Operator	The entity responsible for the reliability of its "local" transmission system, and that operates or directs the operations of the transmission facilities.
	Transmission Planner	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority Area.
	Resource Planner	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific loads (customer demand and energy requirements) within a Planning Authority Area.
	Generator Operator	The entity that operates generating unit(s) and performs the functions of supplying energy and Interconnected Operations Services.
	Generator Owner	Entity that owns and maintains generating units.
	Purchasing-Selling Entity	The entity that purchases or sells, and takes title to, energy, capacity, and Interconnected Operations Services. Purchasing-Selling Entities may be affiliated or unaffiliated merchants and may or may not own generating facilities.
	Distribution Provider	Provides and operates the "wires" between the transmission system and the customer.
	Load-Serving Entity	Secures energy and transmission service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

NOTE: The RSS may find it necessary to modify the initial reliability function responsibility assignment as a result of the standards development and comments received.

Applicable Reliability Principles <i>(Check all boxes that apply.)</i>	
<input type="checkbox"/>	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.
<input type="checkbox"/>	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.
<input type="checkbox"/>	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.

SERC Regional Reliability Standard Development Procedure

<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained, and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis.
Does the proposed Standard comply with all of the following Market Interface Principles? (Select 'yes' or 'no' from the drop-down box.)	
Recognizing that reliability is an Common Attribute of a robust North American economy:	
1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes	
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes	
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes	
4. A 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	

<p>Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft a Standard based on this description.)</p>

Related Reliability Standards (NERC and SERC Regional)

Standard No.	Explanation

SERC Regional Reliability Standard Development Procedure

Related SARs

<u>SAR ID</u>	<u>Explanation</u>

Implementation Plan

<p>Description <i>(Provide plans for the implementation of the proposed standard, including any known systems or training requirements. Include the reliability risk(s) associated with the violation that the standard will mitigate, and the costs associated with implementation.)</i></p>	
<p>Proposed Implementation</p> <p>on (date):</p>	<p>days after Board of Directors adoption or</p>

Appendix D: Elements of a SERC Regional Reliability Standard

Title	A brief, descriptive phrase identifying the topic of the standard.
Identification Number	A unique identification number assigned to facilitate tracking and reference to SERC Regional Reliability Standards. The identification number will be consistent with the Numbering Convention for NERC Regional Reliability Standards. The latest approved version of the convention will be posted on the SERC website (www.serc1.org).
Effective Date and Status	The effective date of the standard or, prior to adoption of the standard by the Board of Directors, the proposed effective date.
Purpose	The purpose of the standard. The purpose shall explicitly state what outcome is expected by this 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 SERC 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.
Requirement(s)	Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies what entity 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.
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 NERC and SERC compliance programs in coordination with the Responsible SERC Subgroup.

SERC Regional Reliability Standard Development Procedure

Risk Factor(s)	<p>The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor in accordance with the criteria listed below:</p> <p>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 abnormal condition.</p> <p>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.</p> <p>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.</p>
-----------------------	--

SERC Regional Reliability Standard Development Procedure

<p>Measure(s)</p>	<p>Each requirement shall be addressed by one or more measurements. Measurements that will be used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measurement identifies to whom the measurement applies and the expected level of performance or outcomes required demonstrating compliance. Each measurement 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.</p>
<p>Compliance Monitoring Process</p>	<p>Defines for each measure:</p> <ul style="list-style-type: none"> • The specific data or information that is required to measure performance or outcomes. • The entity that is responsible 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 data or information to assess performance or outcomes. • The time period in which performance or outcomes is measured, evaluated, and then reset. • Measurement data retention requirements and assignment of responsibility for data archiving. • Violation severity levels.

SERC Regional Reliability Standard Development Procedure

Attached Supporting Information Elements

Interpretations	Any interpretations of the SERC Regional Reliability Standards that were developed, and approved by the SERC Executive Committee, to expound on the application of the standard for unusual or unique situations.
Implementation Plan	Each SERC Regional Reliability Standard 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 references related documents that support reasons for, or otherwise provide additional information related to the standard. Examples include, but are not limited to: <ul style="list-style-type: none">• Glossary of Terms• Developmental history of the standard and prior versions• Responsible SERC Subgroup• Notes pertaining to implementation or compliance• Standard references• Procedures/Practices• Training and/or Technical Reference• Frequently Asked Questions Document

Appendix E: Comment Form for Draft SERC Regional Reliability Standard (Latest approved version of form is posted on the SERC website: www.serc1.org)

COMMENT FORM FOR [INSERT APPROPRIATE TITLE OF SERC REGIONAL RELIABILITY STANDARD]

Please use this form to submit comments on **[insert description]**. Comments must be submitted by **[date]**. You must submit the completed form by emailing it to **[insert appropriate contact names & e-mail addresses]** with the words **[insert appropriate subject]** in the subject line. If you have questions please contact **[insert appropriate contact names, e-mail addresses & phone numbers]**.

DO: **Do** use punctuation and capitalization as needed.
Do use more than one form if responses do not fit in the spaces provided.
Do submit any formatted text or markups in a separate WORD file.

DO NOT: **Do not** submit a response in an unprotected copy of this form.

Commenter Information

Group Name (if applicable):
Contact Name:
Organization:
Telephone:
Email:

Background:

In this section, provide background information including the reasons for the development of new SERC Regional Reliability Standard or revisions to an existing SERC Regional Reliability Standard.

Major Changes to this Revision of the SERC Regional Reliability Standard

Provide additional information that may help the reviewers better understand the need and motivation for the changes.

Include any other sections as necessary to facilitate the review process.

SERC Regional Reliability Standard Development Procedure

Please Enter All Comments in Simple Text Format.

Insert a "check" mark in the appropriate boxes by double-clicking the gray areas.

[The following are sample questions. Revise the questions as appropriate.]

1. Do you agree with the inclusion of the following in section [xxx] of the standard?

Describe revision details.

- Yes
 No
 Comments:

2. Do you agree with the proposed definitions that were added or revised?

- Yes
 No
 Comments:

3. Do you agree with the deletion of the following section from part [xxx]?

- Yes
 No
 Comments:

4. Do you agree with the proposed changes in section [xxx] of the document?

- Yes
 No
 Comments:

5. Please identify anything you believe needs to be modified before this revision of the standard can be approved by SERC?

- Comments:

6. Please provide any other comments on this revision of the standard?

- Comments:

SERC Regional Reliability Standard Development Procedure

Appendix F: SERC Consideration of Comments Form (Latest approved version of form is posted on the SERC website: www.serc1.org)

**SERC [INSERT RSS NAME] Consideration of Comments on
[INSERT APPROPRIATE SERC REGIONAL RELIABILITY STANDARD TITLE & REV. #]**

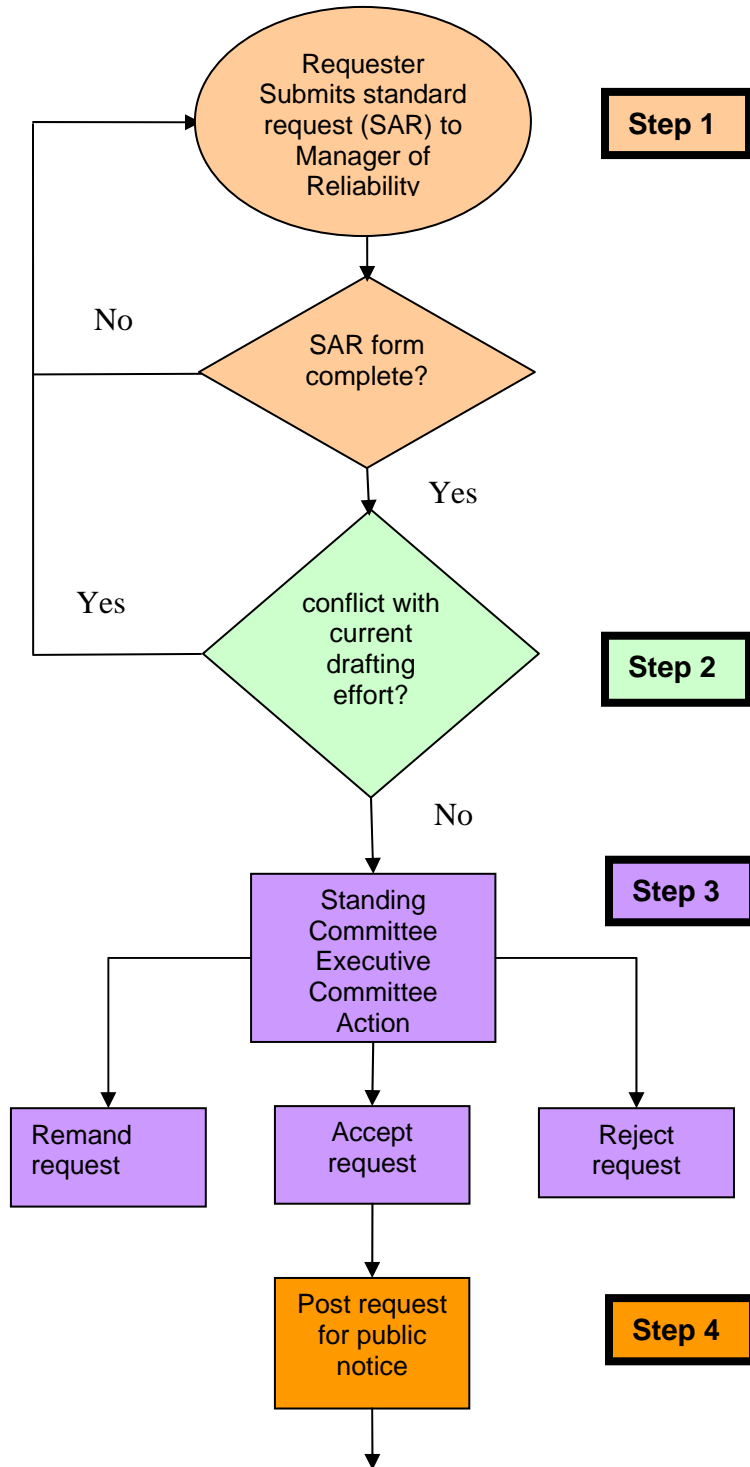
[SAMPLE LANGUAGE]

This document contains comments submitted on Revision [] of the [Standard], which was distributed for review on [Date] in accordance with the SERC Regional Reliability Standards Process Manual. Comments were received from the following.

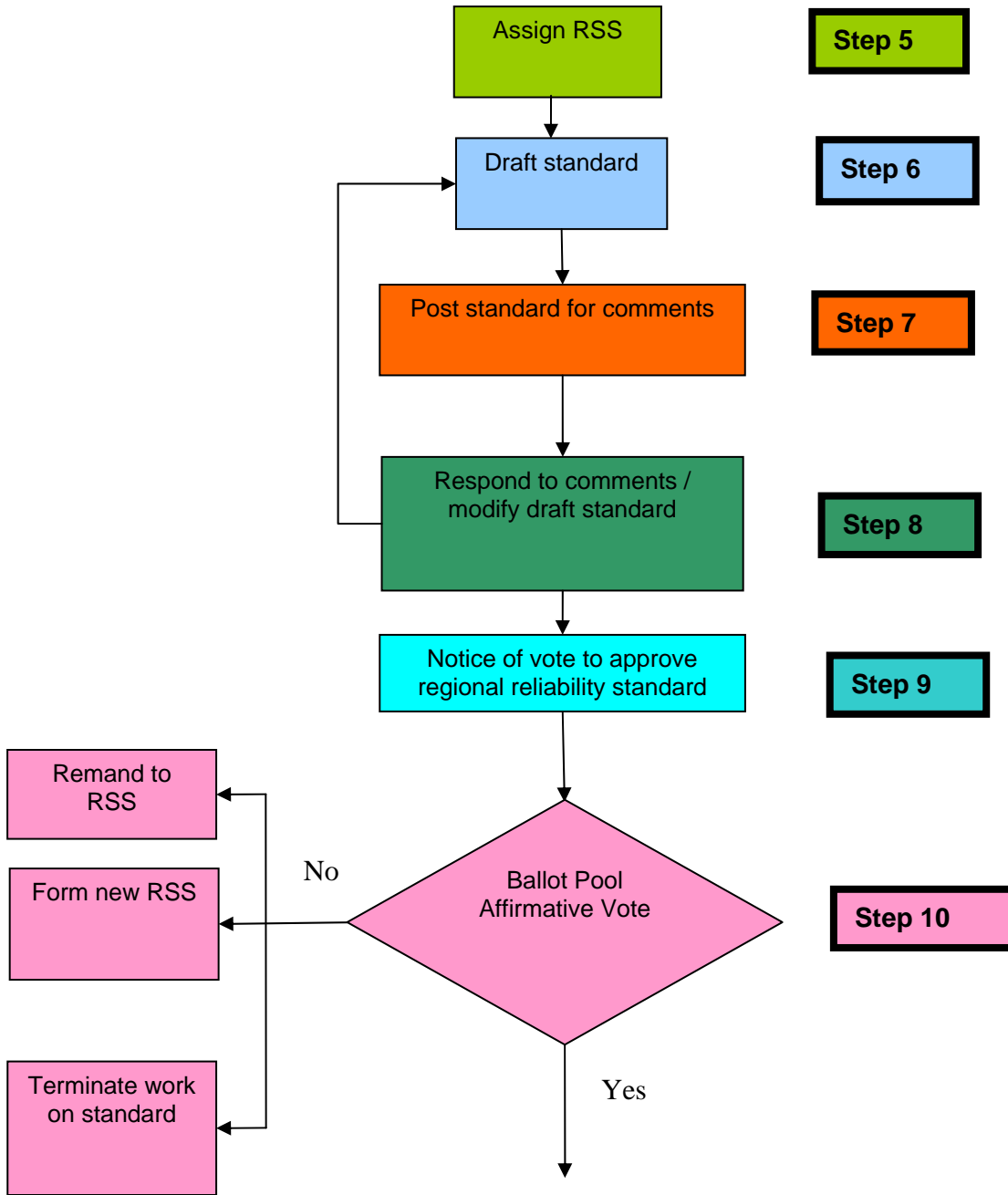
[INSERT INTRODUCTORY LANGUAGE AS APPROPRIATE]

Commenter	Comment	Response

Appendix G: SERC Process Flow Diagram



SERC Regional Reliability Standard Development Procedure



SERC Regional Reliability Standard Development Procedure

