

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

**Monitoring System Conditions - Transmission
Operations Reliability Standard
Transmission Operations Reliability Standards
Interconnection Reliability Operations and
Coordination Reliability Standards**

Docket No. RM13-12-000

Docket No. RM13-14-000

Docket No. RM13-15-000

**QUARTERLY STATUS REPORT OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION,
FOURTH QUARTER 2014**

On December 20, 2013, the North American Electric Reliability Corporation (“NERC”) filed a motion requesting that the Commission defer action, until January 31, 2015, to allow NERC time to consider the reliability concerns raised by the Commission in the November 21, 2013, Notice of Proposed Rulemaking (“NOPR”) in connection with the revisions to the Transmission Operations (“TOP”) and Interconnection Reliability Operations and Coordination (“IRO”) Reliability Standards in the above-referenced dockets.¹ NERC committed to providing the Commission with quarterly reports regarding the status of revisions, and the instant filing is submitted consistent with that commitment. On January 14, 2014, the Commission granted NERC’s motion to defer action until January 31, 2015.² On April 1, 2014, NERC filed a quarterly status report regarding standard development activities in the first quarter of 2014 and on July 1, 2014 NERC filed a quarterly status report for the second quarter of 2014. On October 1, 2014, NERC filed a quarterly status report for the third quarter of 2014. The following quarterly report addresses standard development activities in the fourth quarter of 2014, (*i.e.*,

¹ *Monitoring System Conditions - Transmission Operations Reliability Standard, Transmission Operations Reliability Standards, Interconnection Reliability Operations and Coordination Reliability Standards*, Notice of Proposed Rulemaking, 145 FERC ¶ 61,158 (2013).

² *Monitoring System Conditions - Transmission Operations Reliability Standard, Transmission Operations Reliability Standards, Interconnection Reliability Operations and Coordination Reliability Standards*, Order on Motion to Defer Action on Notice of Proposed Rulemaking, 146 FERC ¶ 61,023 (2014).

October 1, 2014 – December 31, 2014), and notes that additional time will be required in order to obtain approval by the NERC Board of Trustees for proposed Reliability Standard TOP-001-3.

I. Notices and Communication

Notices and communications with respect to this filing may be addressed to the following:³

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II. Status of Revisions – Project 2014-03

A. First Quarter 2014, January 1 – March 31, 2014

A Standards Authorization Request (“SAR”) was submitted on February 12, 2014 to address the concerns identified by the Commission in the NOPR. A standard drafting team was appointed by the NERC Standards Committee on February 12, 2014. This project has been designated as Project 2014-03.⁴

Two technical conferences were held by NERC in March 2014 to facilitate discussion of the issues identified by the Commission in the NOPR.⁵ An informal comment period was held

³ Persons to be included on FERC’s service list are indicated with an asterisk. NERC requests waiver of 18 C.F.R. § 385.203(b) to permit the inclusion of more than two people on the service list.

⁴ The project page is *available here*: <http://www.nerc.com/pa/Stand/Pages/Project-2014-03-Revisions-to-TOP-and-IRO-Standards.aspx>.

⁵ The slides from the conferences are *available here*: http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrds/top_iro_technical_conference_presentation_20140306.pdf.

from March 11, 2014 through March 24, 2014 to allow for industry comments on the topics discussed during the conferences, or suggestions for further consideration of issues identified in the NOPR. These comments are posted on the project webpage as part of the development record and have been considered by the standard drafting team for Project 2014-03.⁶

B. Second Quarter 2014, April 1, 2014 – June 30, 2014

A standard drafting team meeting was held from April 8-10, 2014,⁷ followed by a meeting from April 22-24, 2014.⁸ A webinar was held on June 17, 2014. Revisions to the IRO and TOP Reliability Standards were posted for a 45-day formal comment period from June 23, 2014 through July 2, 2014. Revisions to the defined terms “Operational Planning Analysis” and “Real-time Assessment” were also proposed and posted for comment. Initial ballots of the standards, definitions, and proposed implementation plan were conducted during the last ten days of the comment period, with the following results:

Reliability Standard	Approval
TOP-001-3 – Transmission Operations	30.99%
TOP-002-4 - Operations Planning	62.18%
TOP-003-3 – Operational Reliability Data	63.07%
IRO-001-4 – Reliability Coordination – Responsibilities	68.57%
IRO-002-4 – Reliability Coordination	36.94%
IRO-008-2—Reliability Coordinator Operational Analyses and Real-time Assessments	47.87%
IRO-010-2—Reliability Coordinator Data Specification and Collection	60.26%
IRO-014-3—Coordination Among Reliability Coordinators	61.67%
IRO-017-1 – Outage Coordination	57.94%

⁶ Available here: http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrds/Comments%20Received%20-%20Tech%20Conferences%20TOP_IRO%20Mar%202014.pdf.

⁷ This information is publicly posted on the NERC calendar, available here: <http://www.nerc.net/meetings/details.asp?id=3979>.

⁸ This information is publicly posted on the NERC calendar, available here: <http://www.nerc.net/meetings/details.asp?id=3992>.

The definitions received an approval of 62.64% and the implementation plan received an approval of 64.70%.

The Project 2014-03 standard drafting team has written a whitepaper on System Operating Limits (“SOLs”) in order to clarify how to establish SOLs and mitigate an exceedance of an SOL.⁹ In addition, consistent with the NOPR, the team has reviewed the recommendations of the 2011 Southwest Outage Blackout Report¹⁰ and has addressed how the proposed Reliability Standards fulfill many of these recommendations.¹¹

C. Third Quarter 2014, July 1, 2014 – September 30, 2014

A drafting team meeting was held on July 22, 2014 – July 24, 2014. A technical conference was held on August 12, 2014 in order to discuss proposed revisions to the standards. Revisions to the TOP and IRO Reliability Standards were posted for a 45-day formal comment period from August 6, 2014 – September 19, 2014. Webinars regarding the proposed revisions were conducted on August 12, 2014¹² and on September 9, 2014.¹³ Revisions to the defined terms “Operational Planning Analysis” and “Real-time Assessment,” as well as the implementation plan for these new and revised standards and definitions, were also proposed and posted for comment. Additional ballots of the standards, definitions, and proposed

⁹ Available here: http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrds/2014_03_first_posting_white_paper_sol_exceedance_20140509.pdf.

¹⁰ Available here: <https://www.ferc.gov/legal/staff-reports/04-27-2012-ferc-nerc-report.pdf>.

¹¹ Available here: http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrds/2014_03_first_posting_sw_outage_recommendations_201405012.pdf. In addition, the standard drafting team has also considered issues raised in the NOPR, in the following document, available here: http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrds/2014_03_first_posting_nopr_issues_20140509.pdf.

¹² See http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrdsRF/2014_03_technical_conference_20140812_presentation.pdf.

¹³ See http://www.nerc.com/pa/Stand/Prjct201403RvsnstoTOPandIROStndrdsRF/2014_03_second_posting_webinar_20140909_draft.pdf.

implementation plan were conducted during the last ten days of the comment period, with the following results:

Reliability Standard	Approval
TOP-001-3 – Transmission Operations	48.73%
TOP-002-4 - Operations Planning	78.87%
TOP-003-3 – Operational Reliability Data	87.03%
IRO-001-4 – Reliability Coordination – Responsibilities	76.12%
IRO-002-4 – Reliability Coordination	74.23%
IRO-008-2—Reliability Coordinator Operational Analyses and Real-time Assessments	75.67%
IRO-010-2—Reliability Coordinator Data Specification and Collection	85.49%
IRO-014-3—Coordination Among Reliability Coordinators	75.96%
IRO-017-1 – Outage Coordination	78.67%

The definitions received an approval of 93.34% and the implementation plan received an approval of 90.13%.

D. Fourth Quarter 2014, October 1, 2014 – December 31, 2014

A drafting team meeting was held on September 30, 2014 – October 2, 2014. A final ballot of the following Reliability Standards was conducted from October 10, 2014 – October 22, 2014: TOP-002-4; TOP-003-3; IRO-001-4; IRO-002-4; IRO-008-2; IRO-010-2; IRO-014-3 and IRO-017-1, with the following results:

Reliability Standard	Approval
TOP-002-4 - Operations Planning	84.76%
TOP-003-3 – Operational Reliability Data	86.55%
IRO-001-4 – Reliability Coordination – Responsibilities	82.64%
IRO-002-4 – Reliability Coordination	85.96%
IRO-008-2—Reliability Coordinator Operational Analyses and Real-time Assessments	83.73%
IRO-010-2—Reliability Coordinator Data Specification and Collection	86.22%
IRO-014-3—Coordination Among Reliability Coordinators	89.88%
IRO-017-1 – Outage Coordination	82.58%

The definitions received an approval of 94.07% and the implementation plan received an approval of 91.84%. Reliability Standard TOP-001-3 was posted for an additional ballot from October 10, 2014—November 10, 2014 and received an approval of 60.21%.

On November 13, 2014, the NERC Board of Trustees approved the following Reliability Standards: TOP-002-4; TOP-003-3; IRO-001-4; IRO-002-4; IRO-008-2; IRO-010-2; IRO-014-3 and IRO-017-1. The Board also approved the definitions and implementation plan. Given the integrated nature of this body of Reliability Standards, it is not possible for NERC to file the approved Reliability Standards without Reliability Standard TOP-001-3.

On November 20, 2014, a standard drafting team conference call was held in order to discuss revisions to proposed Reliability Standard TOP-001-3. Reliability Standard TOP-001-3 is currently posted for an additional ballot, which will conclude on January 7, 2015. The NERC Standards Committee authorized a waiver to shorten the comment period and additional ballot and non-binding poll for TOP-001-3, and then in a separate action, extended this period from 30 days to 35 days and the ballot was extended from 7 days to 9 days.

As noted herein, NERC requested that the Commission defer action until January 31, 2015. NERC anticipates that additional time will be required in order to present the standard to

the Board of Trustees for approval, given that the next regularly scheduled NERC Board of Trustees meeting is set for February 12, 2015. In the event that Reliability Standard TOP-001-3 is not approved by industry stakeholders as anticipated in January, NERC will determine a proposed path forward and submit additional information in this proceeding.

III. Conclusion

The North American Electric Reliability Corporation respectfully requests that the Commission accept this quarterly report for informational purposes.

Respectfully submitted,

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