

High Level Comments On Proposed Missing Measures and Compliance Elements

**Submitted by IESO
May 21, 2006**

The IESO submits this set of comments to the Missing Measures and Compliance Elements Standard Drafting Team (hence abbreviated as SDT) for consideration. These comments are directed at the process and not to the specific questions in the comment form as we believe it is important for the SDT to consider the process issues in conjunction with the issues raised in the May 11, 2006 FERC Staff Report on Reliability Standards.

We thank the drafting team and NERC Staff in advance for consideration of these additional comments. Separately, you will find our detailed comments to the specific questions addressed in the comment form.

Our High Level Comments

Our high level comments address issues pertaining to the process adopted for developing missing measures and compliance elements for the 20 standards:

1. The SDT's response to our Comments #1 and #3 on the recently posted SAR in essence says that standard requirements cannot be changed or deleted as it's outside of the SDT's scope, and that suggested modifications to the standard itself apart from measures and compliance would need to have a separate SAR to deal with. This continues to hamper the effective development of NERC standards, and the SDT's experience with trying to add measures and compliance elements to COM-001-1 without the ability to modify the requirements demonstrates that the adopted approach is not workable. Another example is EOP-003, where the SDT was only able to develop 3 measures among the 8 requirements owing to its view that the other 5 requirements either lacked clarity or required further work. Without any ability whatsoever to change the standard requirements, it's an inefficient process to add measures and compliance elements to suit a standard that is not very well-developed.
2. The SDT's responses to our previously submitted Comments #5 and #8 (3) was a surprise to us. Instead of revising the measures, the SDT elected to remove M1 and M3. In the previous COM-001-1 version, it was stipulated that: *[...the CESDT's approach to adding "measures" to the 22 Version 0 Standards was: Each Requirement will have at least one Measure; a Measure may be used for more than one Requirement.]* The SDT's decision to drop measures M1 and M3 for R1 and R3, respectively, was in a reverse direction of its starting principle. We are unable to find the basis for this decision.
3. In the Final SAR, it was proposed that the missing measures and compliance elements for the 22 standards listed therein would be developed in stages. But the SDT actually posted missing measures and compliance elements for 20 standards at the same time. This is not consistent with the proposed staged development plan, and begs the question

on the two standards that are not included, namely, INT-002 and VAR-001. Again, we are unable to find the basis of the decision to deviate from the plan presented in the SAR. While we applaud the SDT's efficiency, we have a real difficulty in digesting, reviewing and commenting on all 20 standards within such a short time frame. We also feel that the rush to get all these standards done in such a short time will likely result in poor quality products.

4. We feel that NERC should address the above comments in conjunction with the concerns noted by the FERC Staff Report of May 11, 2006.¹ In that report, FERC staff stated that it believes that certain NERC standards that were submitted in the April 4 filing for the ERO application are not clear enough to meet the statutory requirements for enforceable reliability standards. Because changes are needed to the requirements themselves to meet the statutory requirements, we recommend that the drafting team recall the SAR and associated posting of the missing measures and compliance elements for the 20 standard, and develop a revised plan accordingly
5. If the suggested approach is to be adopted, we recommend that individual SARs and SDTs consisting of requirement expertise and compliance expertise (or separate drafting teams - one for requirements and one for compliance but with close coordination) be formed to address each standard that has missing compliance elements because:
 - a. A single drafting team approach is no longer appropriate since NERC should fix each individual standard, and
 - b. The set of standards filed at FERC are the "Version 0" standards and therefore are not adequate to meet the statutory expectations for enforceable reliability standards. Version 0 standards were intended to only reflect the then current Operating Manual and Planning standards without expanding the scope and applicability for each requirement. Those requirements were not specific and complete enough to meet the statutory requirement for enforceable reliability standards. This was also reflected by the compliance element drafting team's inability to develop measures for a number of requirements in the 20 standards.
6. We are of the opinion that NERC and the industry need some "breathing room" to get a complete set of appropriate and complete standards in place. NERC may wish to consider using a ranking approach based on the current efforts of the Violation Risk Factors Survey to develop an implementation phase-in schedule for:
 - (a) Refining and providing measures and compliance elements for an initial core set of reliability standards that contain mostly high risk requirements and that has been proven to maintain reliability over the years.
 - (b) Continue with the above suggested approach for the standards that contain mostly medium and low risk requirements.

¹ Federal Energy Regulatory Commission Staff Preliminary Assessment of the North American Electric Reliability Council's Proposed Mandatory Reliability Standards, May 11, 2006

The IESO appreciates the opportunity to comment, and expresses its support for any effort necessary to develop additional standards in an expedited manner so that the most important standards that impact bulk power system reliability are in place with minimal delay. In addition, a realistic timetable to begin enforcement of these standards should be developed accordingly, with consideration to the standard refinement and measures development time line and FERC's approval process.