BEFORE THE
NOVA SCOTIA UTILITIES AND REVIEW BOARD
THE PROVINCE OF NOVA SCOTIA

NORTH AMERICAN ELECTRIC	**)**
RELIABILITY CORPORATION	**)**

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION INFORMATIONAL FILING OF 2010 DEVELOPMENT PLAN PURSUANT TO SECTION 310 OF THE NERC RULES OF PROCEDURE

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January 28, 2010

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EXHIBIT B: Complete Development Record for the *Reliability Standards Development Plan: 2010–2012*

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2010 DEVELOPMENT PLAN
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I. INTRODUCTION

The North American Electric Reliability Corporation ("NERC") hereby submits for informational purposes its revised Reliability Standards Development Plan in accordance with Section 310 of the NERC Rules of Procedure. The *Reliability Standards Development Plan: 2010–2012* ("2010 Development Plan"), is included as **Exhibit A**. The complete development record for the 2010 Development Plan is included as **Exhibit B.**

II. NOTICES AND COMMUNICATIONS

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

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III. BACKGROUND

In 2006, NERC developed an initial version of the plan for Reliability Standards development entitled the *Reliability Standards Development Plan: 2007–2009*. NERC has since updated the plan annually, and the 2010–2012 version is presented in this filing. The 2010 Development Plan serves as a management tool to guide and coordinate the development of Reliability Standards and provide benchmarks for assessing progress. The 2010 Development Plan also serves as a communications tool for coordinating standards development work with applicable governmental agencies in the United States and Canada, and for engaging stakeholders in standards development. The plan further provides a base for developing annual plans and budgets for the standards program. Consistent with the three previous versions of the plan, the 2010 Development Plan is filed for informational purposes. No specific action is requested at this time.

The 2010 Development Plan builds upon the foundation established by the previous plans and identifies the current plans for development and modification of NERC Reliability Standards. In particular, the 2010 version of the plan identifies projects that continue the work on NERC Reliability Standards.

The 2010 Development Plan, included as **Exhibit A**, is organized into three volumes:

- Volume I provides a summary overview of the 2010 Development Plan and identifies significant modifications to the 2009 plan.
- Volume II details the specific standards development projects.
- Volume III summarizes the expected Regional Entity standards development activity anticipated during the three year period contemplated by the plan.

The complete development record for the 2010 Development Plan is included as **Exhibit B.**

The discussions that follow are intended to inform applicable governmental authorities of the significant changes to the content of the 2009 plan that led to the 2010 Development Plan as

presented, to provide insight into changes in project timelines and completion dates that are reflected in the 2010 Development Plan, and to present a summary of stakeholder comments that were used, in part, to develop the revised 2010 Development Plan.

A. Significant 2010 Development Plan Revisions

i. General Revisions

This section provides a summary of significant revisions to the *Reliability Standards Development Plan: 2010–2012* relative to the 2009 plan. The 2010 Development Plan includes 37 projects, two fewer than the 39 projects identified in the 2009 version of the plan.

Projects Removed/Completed

Seven projects in the previous version of the plan were completed in 2009 and were removed from the 2010 Development Plan. These completed projects are:

Projects initiated in 2006:
2006-01 System Personnel Training
2006-03 System Restoration and Blackstart
2006-07 Transfer Capabilities: ATC, TTC, CBM, and TRM
2006-09 Facility Ratings

Projects initiated in 2007:
2007-14 Permanent Changes to CI Timing Table
2007-23 Violation Severity Levels

Projects initiated in 2008:
2008-08 EOP Violation Severity Levels Revisions

Project Removed/SAR Withdrawn

One project, Project 2008-05 — Credible Multiple Element Contingencies, identified in the 2009 plan, was removed from the 2010 Development Plan because the Standard Authorization Request ("SAR") for the project was withdrawn.

Project Realigned from 2011 to 2012

The 2010 Development Plan also realigns one project, Project 2012-01 — Equipment Monitoring and Diagnostic Devices. This project was moved from 2011 to 2012 to ensure that NERC and industry resources are available to support Project 2010-06 Results-based Reliability Standards. As such, no new projects are planned for initiation in 2011.

New Projects

Six projects are new to the 2010 Development Plan. These new projects are:

Projects initiated in 2009:
2009-06 Facility Ratings
2009-07 Reliability of Protection Systems
2009-18 Withdraw Three Midwest ISO Waivers[1]

Projects anticipated commencing in 2010:
2010-06 Results-based Reliability Standards
2010-07 Generator Requirements at the Transmission Interface

Projects anticipated commencing in 2012:
2012-02 Physical Protection

In preparing the 2010 Development Plan, NERC staff reached out to stakeholders and asked for input regarding the 2009 version of the plan. Several stakeholders voiced a concern that had been expressed in the preceding two years, that there were too many projects under development concurrently. Commenters noted that providing support for the large number of projects under development is straining the industry's ability to properly resource the development activities. Commenters recommended that the plan focus industry resources on the projects having the greatest impact on reliability in the near-term, while deferring those of less immediate reliability benefit.

[1] At the time the *Reliability Standards Development Plan: 2010-2012* was being finalized, Project 2009-18 Withdraw Three Midwest ISO Waivers was an active project. The revisions successfully completed initial ballot without negative comment and thus no recirculation ballot was necessary, thereby shortening the expected timeline. As a result, the project was completed in 2009 instead of 2010 as contemplated by the plan.

NERC received similar comments during the development of NERC's Three-year Assessment of its performance as the Electric Reliability Organization. In response to the opportunity to comment on the assessment, several stakeholders recommended that the industry focus existing Reliability Standards and Reliability Standards Development on areas that will lead to the greatest improvement in bulk power system reliability. Suggestions included: (1) focusing development of new Reliability Standards on those that will lead to the greatest improvement in reliability; *i.e.*, addressing the greatest risks of wide-area cascading outages; (2) reducing the number of existing Reliability Standards to include only those that have a critical impact on reliability of the bulk power system, and converting the remaining Reliability Standards to guidelines; and (3) developing a more systematic process for prioritizing new Reliability Standards development projects based on risks to the bulk power system. Accordingly, the 2010 Development Plan establishes a new project ("Project 2010-06 Results-Based Reliability Standards") aimed at better focusing the development of NERC Reliability Standards on reliability performance and reliability outcomes.

NERC staff also considered the anticipated volume of industry requests for interpretations in determining projects to be included in the 2010 Development Plan. The number of projects proposed for any particular year is directly impacted by the number of formal requests for interpretations submitted by the industry. Requests for interpretations of NERC Reliability Standards are projected to increase until the review and revision of the Version 0 and some Version 1 standards is completed. The volume of interpretation requests has been steadily increasing: two in 2006; nine in 2007, and eight in 2008. For 2009, 14 requests for interpretation have been submitted, with an estimated eleven more expected before year-end, for a total of twenty-five. Based on current trends, approximately 30 interpretations are predicted in 2010. To accommodate this volume of work, the 2010 Development Plan is based on the projected effort

necessary from NERC staff and industry resources to support the development of the draft interpretations, in addition to the standards development projects outlined in the plan.

ii. Other Modifications

In conjunction with this year's effort to prepare the 2010 Development Plan, NERC staff incorporated pending items and issues in what is termed the "NERC Standards Issues Database" ("Issues Database"). The Issues Database was developed informally by NERC standards staff to track issues and concerns identified with a particular standard. These issues were then used in part to populate the "Issues to be Considered by the Standard Drafting Team" tables included for each project in Volume II of the 2010 Development Plan. The projects in Volume II were revised to include all issues identified to date.

NERC has also developed specific initiatives related to compliance monitoring and enforcement, reliability assessment and performance analysis, and event analysis to identify possible "high impact" Reliability Standard development projects that may have significant impact on the reliability of the bulk power system. System events tracked for the last three years have been reviewed to identify trends, actions, or behaviors that may be causal or contributory to the severity of system disturbances. This information assists NERC to focus efforts and provide the technical foundation for standards development and modification efforts on issues that are most critical to bulk power system reliability. For example, NERC has developed a broad-based reliability initiative that addresses issues in the area of system protection and control. That initiative identified a compendium of system protection and control issues that have contributed to many system events. This effort, with significant support from the NERC System Protection and Control Subcommittee, served as the basis for Project 2010-05 System Protection, and a number of other ongoing standards development projects in the area of system protection and control. This ongoing collaborative effort between the event analysis program and standards

development planning will continue to be used as a tool to identify specific changes to Reliability Standards to ensure an adequate level of reliability of the North American bulk power system.

iii. Project Timeline Changes

This section identifies the changes to timelines for projects in the 2010 Development Plan relative to those in the 2009 plan, and the factors contributing to the changes. One goal of the 2010 Development Plan is to improve the set of detailed project schedules.

In 2009, NERC made a concerted effort to develop more detailed project timelines. Based on lessons learned from the execution of prior projects, the revised project schedules include a more detailed and complete list of tasks that must be undertaken as part of a standards development project. As a result, timelines for the majority of projects now provide more realistic estimates of the time necessary to bring the projects to completion. The recognition of additional tasks necessary to successfully complete a project has resulted in longer estimated project duration.

The differences in project timelines for specific projects in the 2010 Development Plan as compared to the 2009 plan are attributable to several factors. First, to develop consensus during the development of Reliability Standards, drafting teams, working with industry stakeholders, must fully explore and consider the many issues identified in the "Issues to be Considered by the Standard Drafting Team" portion of the project description. Accordingly, the plan incorporates a reasonable estimate for completion of each project, but recognizes that actual time to complete a project may vary significantly based on the complexity of the issues under consideration and the scope of active stakeholder engagement in those issues. Flexibility is therefore required to develop a specific project timeline to account for the projected time necessary to complete stakeholder consideration of the issues.

NERC has also determined that in prior years proposed standards may have progressed to the ballot stage without adequately documenting how or whether the drafting team considered and addressed specific regulatory directives. As a result, unanticipated time and effort has been expended late in the development process to ensure the standard drafting team has sufficiently addressed all regulatory directives. To minimize similar impacts to project timelines going forward, NERC has initiated a process for addressing regulatory coordination coincident with the standards development phases of a project. This activity is now explicitly identified and accounted for in each standard development schedule.

Other factors affecting the accuracy of prior estimates for project durations include: underestimating the number of comment periods necessary for each project and broader than anticipated participation by industry stakeholders in the comment periods. These have manifested themselves in additional industry comment periods and more time spent developing replies to an unpredicted volume of comments. Additionally, time has been added to the project schedules to account for the detailed and specific NERC internal staff review of documents proposed by drafting teams for posting for industry comment described above. Some or all of these factors result in the necessary expenditure of additional development time and effort by the drafting team participants.

With these factors in mind, the following paragraphs summarize the significant timeline changes, and the factors contributing to the changes, project-by-project, for the projects in the 2010 Development Plan as compared to the timelines identified in the 2009 plan.

2006-02 Assess Transmission Future Needs. The first and second drafts of the revised TPL-001-1 — Transmission System Planning Performance Requirements standard were posted for industry comment in the fourth quarter of 2007 and the third quarter of 2008, respectively. Two drafts were posted for comment in 2009, from May 26 through July 9, 2009, and from September 16 through October 16, 2009. The response to those postings is currently under

consideration by the drafting team. The effort to complete the initial four drafts of the standard took longer than expected due to the significant volume of industry comments received during the postings and the additional time required for internal NERC staff review of the draft standard. The anticipated completion of the project is now slated for the second quarter of 2010.

2006-04 Backup Facilities. The first and second drafts of the standard were posted for industry comment in 2008, with an additional draft posted for comment from March 17 through April 15, 2009. Subsequently, the standard was posted for pre-ballot consideration from August 17 through September 16, 2009, and initially balloted from September 16 through September 28, 2009. The additional unanticipated comment periods, the time needed to address issues identified during those comment periods, and the need to add further clarity—an activity that became apparent during the balloting—have resulted in a project schedule extension of approximately six months. The projected completion date has been moved from the second quarter of 2009 to the first quarter of 2010.

2006-06 Reliability Coordination. The first and second drafts of these standards were posted for industry comment in the third quarter of 2008, and the third quarter of 2009, respectively. This project was initiated two months later than originally anticipated as NERC added staff coordinators, and the drafting of the revised standards required more work and coordination with other projects than originally anticipated. In addition, the drafting team has since determined that a third comment period will be necessary for this set of standards. Also, in October 2009, the NERC Standards Committee requested that the drafting team coordinate with two other drafting teams regarding the use of the three-part communication protocol and the definition of "Directive." As a result, it was necessary to apply an approximate twelve-month extension of the projected completion date, to the fourth quarter of 2010.

2006-08 Transmission Loading Relief. The first phase of this project split the reliability aspects from the commercial aspects of the then existing standard. That effort took four months

longer to complete than anticipated, and as a result, initiation of subsequent phases was delayed. Additionally, the field test associated with phase two modifications was extended and two additional comment periods were necessary for the development of the phase three changes, now being addressed concurrently with phase two. The resulting adjustment in project schedule added nine months for the projected completion of phase two and eight months for the completion of phase three. Phase two was completed in the third quarter of 2009, and phase three is now scheduled for completion in the second quarter of 2010.

2007-01 Underfrequency Load Shedding. The standard drafting team posted the revised standard for the first industry comment period in the third quarter of 2008. The development of the foundational underfrequency performance characteristics required more meetings than originally anticipated in order to thoroughly explore and consider those characteristics and other issues. The second version of the standard was posted in the second quarter of 2009. The drafting team received many comments including one set that identified the need of a variance for Québec for this standard. The inclusion of the variance for Québec necessitated the project scope to be expanded, and as a result, the projected completion date was extended approximately six months, to the first quarter of 2010.

2007-02 Operating Personnel Communications Protocols. The effort to consider the seminal work of the Reliability Coordinator Working Group ("RCWG") with respect to the Alert Level Guidelines formed the basis for much of the standard drafting team's scope. The drafting team's thorough review and consideration of that work, as well as the necessary internal NERC staff review of the draft standard took significantly longer than originally anticipated and scheduled. It was further necessary to coordinate with the RCWG on the field test of the Alert Level Guidelines, to ensure consensus on the extent and accuracy of transferring the guideline to the new standard drafted by the standard drafting team. This additional effort resulted in

significantly more time needed to develop the draft COM-003-1 — Operating Personnel Communications Protocols standard before it could be initially posted.

Shortly after the team posted the first draft of COM-003-1 for industry comment in October 2009, the draft standard was withdrawn by the NERC Standards Committee in order to perform further collaboration between the standard drafting team for this project and two other standard drafting teams involved with the use of the three-part communication protocol and the definition of "Directive." These combined activities have resulted in an approximate twelve month extension to the project. The anticipated completion date for the project is now the fourth quarter of 2010.

2007-03 Real-time Transmission Operations. This project was initiated three months later than anticipated and the drafting team has added an additional comment period to the original schedule. The drafting team posted the revised standards for the initial industry comment period in the fourth quarter of 2008. Successive drafts were posted for comment from April 7 through May 7, 2009 and from August 25 through September 24, 2009, respectively. The effort to review and explore the existing requirements related to the NERC certification process, the philosophical shift from operating to SOLs to operating to IROLs within T_v, and the added time for internal NERC staff review of the draft standard involved more time and effort than originally anticipated. In addition, the NERC Standards Committee requested the drafting team to coordinate with two other drafting teams regarding the use of the three-part communication protocol and the definition of "Directive." These combined activities have resulted in an approximate twelve month extension to the project. The anticipated completion date of the project is now the third quarter of 2010.

2007-04 Certifying System Operators. The effort to review and explore the issues associated with the directives identified in FERC Order 693 for the PER-003-0 — Operating Personnel Credentials standard and the added time for internal NERC staff review of the draft

standard took longer than originally anticipated. The first draft of the proposed standard was posted for comment from October 21 through November 20, 2009, and the drafting team is presently considering those comments. As a result, the projected completion date has been extended by approximately twelve months, to the third quarter of 2010.

2007-05 Balancing Authority Controls. This project was initiated seven months later than originally anticipated. It was also necessary to adjust the project timeline to coordinate with the North American Energy Standards Board effort pertaining to the commercial elements relating to the BAL standards within the scope of the project. In addition, the standard drafting team conducted an industry survey on Time Error Correction in order to collect further input and data. The time to develop and conduct the survey was not contemplated in the original timeline for the project. Finally, a reforecast of the project was undertaken based on information and experience collected during the drafting team meetings. The project is technically complex and requires a high level of coordination based on its interaction with several other standards (*i.e.* BAL-001, BAL-003, and the INT family of standards). Much of the subject matter (*e.g.*, continent wide reserve policy) is extremely contentious, resulting in extended dialogue and consideration by the team. The project is now anticipated to be completed in two phases. Phase one will address the majority of the work within the scope of the project and is expected to be completed in the second quarter of 2012. Phase two will deal with Time Error Correction and is expected to be completed in the fourth quarter of 2012.

2007-06 System Protection. The effort to examine and debate the issues associated with the directives identified in FERC Order 693 for the PRC-001-1 — System Protection Coordination standard and the added time for internal NERC staff review of the draft standard took much longer than originally anticipated. The first draft of the standard was posted for comment from September 11 through October 26, 2009. Additional issues were raised in the comments received during the initial posting of the draft standard that will require more time to

address than the drafting team anticipated. As a result, the projected completion date has been extended approximately six months to the third quarter of 2010.

2007-07 Vegetation Management. The initial posting of the draft standard FAC-003-2 for industry comment generated a significant volume of comments. The team took additional time to complete the second draft of the standard based on the need to address the high volume of industry comments received during the initial posting. The additional time required for internal NERC staff review of the draft standard also affected the project schedule. The subsequent posting of the draft standard for industry comment, which concluded in October 2009, generated nearly as many stakeholder comments as the initial posting. A third posting of the draft standard for industry comment will therefore be necessary, extending the anticipated completion of the project to the fourth quarter of 2010.

2007-09 Generator Verification. The effort to review and consider the issues associated with the directives identified in FERC Order No. 693 for the MOD-024-1 — Verification of Generator Gross and Net Real Power Capability standard, development of three other associated standards, and the added time for internal NERC staff review of the draft standards took longer than originally anticipated. Proposed drafts of MOD-026 and PRC-024 were posted for stakeholder comment from February 17 through April 2, 2009. Comments on the PRC-024-1 standard were generally favorable; however, the lack of a performance orientation was noted by some stakeholders and prompted the drafting team to revise its second version to meet that expectation. Feedback on the MOD-026 standard was focused on streamlining the technical requirements. The drafting team is combining and subsuming requirements in an effort to address the stakeholders' concerns. These combined activities have resulted in an approximate eight month extension with project completion now projected in the first quarter of 2011.

2007-11 Disturbance Monitoring. The standard drafting team posted the first version of the standard in the first quarter 2009. In the process of revising the standard and responding to

comments, the drafting team identified the need to perform a regional data analysis to assist in identifying locations for monitoring and recording data that accommodate the regional variability of the electric grid. Thus, identifying the location thresholds for recording Sequence of Events, Dynamic Disturbance Recording, and Fault Recording data requires analysis of data for several NERC regions. Time for the collection and analysis of this data was not factored into the original project schedule. The collection and analysis of data has extended the overall timeline for the project by approximately fourteen months, with completion of the project now anticipated in the third quarter of 2011.

2007-12 Frequency Response. The original Standard Authorization Request for the project called for development of a data collection standard before drafting a revised frequency response standard. In order to expedite the process, NERC has decided to obtain the necessary data through a formal Data Request, negating the need to draft a data collection standard. The drafting team will use the data, once collected and analyzed, to draft a Frequency Response standard. NERC is developing the plan for a Frequency Response initiative of which the standard development project is a key part.

2007-17 Protection System Maintenance and Testing. The revised completion date for this work is now in the third quarter 2010. This standard merges previous standards PRC-005-0, PRC-008-0, PRC-011-0, and PRC-017-0. It also addresses FERC comments from Order 693, and addresses observations from the NERC System Protection and Control Task Force, as presented in *NERC SPCTF Assessment of Standards: PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing, PRC-008-0 — Underfrequency Load Shedding Equipment Maintenance Programs, PRC-011-0 — UVLS System Maintenance and Testing, PRC-017-0 — Special Protection System Maintenance and Testing.* The initial draft of the standard was posted for industry comment from July 24 through September 8, 2009. The effort to review and consider the issues associated with the directives identified in FERC Order

693 for the PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing standard and the added time for internal NERC staff review of the draft standard took much longer than originally anticipated. Several issues emerged from the initial posting of the draft standard for industry comment that also required extensive examination and debate. These combined activities have resulted in an approximate twelve month extension to the project schedule. The anticipated completion date of the project is now in the third quarter of 2010.

2007-18 Reliability-Based Control. This project was initiated three months later than originally anticipated. The drafting team posted a "Proposed Metrics" document for the first industry comment period in the third quarter of 2008. The comment period was intended to inform and gain industry comments on proposed metrics for the purpose statements of the Standard Authorization Request. The drafting team also performed some additional statistical analysis (relating to frequency excursions) not anticipated during the development of the original timeline. As a result, the project schedule was extended by approximately thirteen months with a present anticipated completion date in the fourth quarter of 2011.

2008-01 Voltage and Reactive Control. The Standard Authorization Request development phase of this project was deferred until July, 2009 while the NERC Transmission Issues Subcommittee finalized the Reactive Support and Control Whitepaper in May, 2009. The white paper identifies the technical requirements needed to determine the reactive resources required under each system state. Based on the complexities discussed in the whitepaper, a third posting for industry comment was added to the timeline for the project to permit sufficient industry vetting. In addition, other adjustments to account for longer vetting and debating by the industry for the first and second drafts of the standards were incorporated into the project schedule. These combined activities have resulted in an approximate nine month extension to the project. The anticipated completion date of the project is now scheduled for the third quarter of 2012.

2008-02 Undervoltage Load Shedding. No changes have been made to the timeline for this project relative to the schedule projected in the preceding development plan.

2008-06 Cyber Security Order No. 706. This project was initiated in 2008 to address the directives in FERC Order No. 706,[2] and was reflected in the 2009 plan. In Order No. 706, FERC approved the CIP Version 1 Reliability Standards and associated implementation plan, but also directed NERC to develop modifications to the CIP Reliability Standards to address specific concerns identified by FERC. The scope and volume of the directives in Order No. 706 resulted in the adoption of a multi-phased approach to address those directives. NERC filed Version 2 of the CIP Reliability Standards with FERC in May 2009, representing phase one of the overall work for revising the CIP Reliability Standards. Subsequent phases of Project 2008-06 will address the remaining modifications to the CIP Reliability Standards enumerated in FERC's Order No. 706. FERC approved Version 2 of the CIP Reliability Standards on September 29, 2009,[3] and directed NERC to submit a compliance filing within 90 days to: (1) revise CIP-006-2 to add a requirement on visitor control programs, including the use of visitor logs to document entry and exit; (2) revise CIP-008-2 R1.6 to strike the sentence stating that "Testing the Cyber Security Incident response plan does not require removing a component or system from service during the test;" and (3) revise the Version 2 Implementation Plan to address the comments made by FERC in Attachment A to the September 29, 2009 FERC Order.

NERC anticipates submitting the compliance filing, which will include Version 3 of the CIP Reliability Standards, the Version 3 Implementation Plan, and the revised Implementation Plan for Newly Identified Critical Cyber Assets and Newly Registered Entities, in accordance with FERC's directives in the September 29, 2009 Order by the end of December 2009.

[2] *Mandatory Reliability Standards for Critical Infrastructure Protection*, 122 FERC ¶61,040 (January 18, 2008).
[3] *Order Approving Revised Reliability Standards for Critical Infrastructure Protection and Requiring Compliance Filing*, 128 FERC ¶61,291 (September 30, 2009).

The compliance filing for Version 3 of the CIP Reliability Standards will complete phase one of the work planned to revise these standards based on FERC's directives in Order No. 706. The majority of the remaining substantive issues identified in Order No. 706 will be addressed in phase two of Project 2008-06, which is anticipated to require multiple cycles of postings and industry responses to reach a suitable understanding and industry agreement on the new requirements. The timeline for completion of all project phases is still undergoing review and modification before it can be finalized and submitted as required by December 2009.

2008-12 Coordinate Interchange Standards. This project was initiated in 2008 and was included in the 2009 plan to ensure that each requirement is assigned to an owner, operator, or user of the bulk power system. Additional improvements to the standard are also included in the scope of the project, and the team has chosen to address the project in two phases. Phase one addresses the assignment of requirements to appropriate registered entities, and is intended to improve the overall quality of the standard. This first phase is expected to be completed in the first quarter of 2011. Phase two will specifically address dynamic transfers and, if necessary, interchange tool fault tolerance. The second phase is expected to be completed in the second quarter of 2013. Prior to being publicly noticed, the timelines for the projects planned for future years (*e.g.*, projects commencing in 2011 and later) will be developed in coordination with the assigned standard drafting teams.

iv. Projects Updates - 2009

This section summarizes the current status of the 2009 projects identified in the 2010 Development Plan.

2009-01 Disturbance and Sabotage Reporting. The Standard Authorization Request for this project was posted for industry comment from April 22 to May 21, 2009 and was approved by the Standards Committee on September 3, 2009. The standard drafting team for the project was appointed by the Standards Committee on November 12, 2009.

2009-02 Real-time Tools. The Standard Authorization Request for this project was posted for industry comment from July 10 to July 11, 2009. The standard drafting team for the project was appointed by the Standards Committee on July 15, 2009. The standard drafting team anticipates posting the Standards Authorization Request for a second round of industry comments during the first quarter of 2010.

2009-03 Emergency Operations. The Standard Authorization Request is being drafted to initiate this project.

2009-04 Phasor Measurements Units. The Standard Authorization Request is being drafted to initiate this project.

2009-05 Resource Adequacy Assessments. NERC is considering potential alternatives to developing a reliability standard for Resource Adequacy Assessments before forwarding a Standard Authorization Request to the Standards Committee for its consideration.

2009-06 Facility Ratings. The initial version of the Standard Authorization Request for this project was posted for industry comment from January 20 to March 5, 2009. A revised version of the request for this project was posted for industry comment August 10 to September 9, 2009. Proposed revisions to the draft FAC-008-2 — Facility Ratings standard were posted simultaneously with the Standard Authorization Requests.

2009-07 Reliability of Protection Systems. The Standard Authorization Request for this project was posted for industry comment January 29 to February 18, 2009. The SAR drafting team for the project was appointed by the Standards Committee on March 5, 2009.

2009-18 Withdraw Three Midwest ISO Waivers. The project was initiated in April, 2009 with the standards successfully completing ballot in September, 2009. The proposed revised standards were then approved by the NERC Board and filed with FERC for approval on November 20, 2009.

B. NERC Stakeholders Input

To support the preparation of the 2010 Development Plan, NERC sought stakeholder comment during two public comment periods, which took place from May 20 through July 6, 2009 and August 28 through September 28, 2009. In addition, NERC solicited input from the NERC technical committees as well as from additional subject matter experts on NERC staff. NERC received 30 sets of comments during the open stakeholder comment periods from American Electric Power, Bonneville Power Administration, CenterPoint Energy, Construction Specialty Services, Inc. & Critical Systems, LLC, Consumers Energy Company, Dominion Resource Inc., Duke Energy, Electric Power Supply Association, FirstEnergy, Florida Municipal Power Agency, Georgia System Operations Corp., Independent Electricity System Operator, IRC Standards Review Committee, Manitoba Hydro, Midwest ISO, Midwest Reliability Organization, National Rural Electric Cooperative Association, NERC Regional Reliability Standards Working Group, NERC System Protection and Control Subcommittee, North American Energy Standards Board, Northeast Power Coordinating Council, SERC EC Planning Standards Subcommittee, Southern California Edison, Southern Company, and US Bureau of Reclamation. The comments and NERC's response to these comments are provided in Appendix A to Volume I of the 2010 Development Plan, which is included as part of **Exhibit A**. The comments are also included in the complete development record for the 2010 Development Plan, included as **Exhibit B**. The major themes of the comments received are summarized below.

Many comments suggested that NERC sponsor an industry triage of the entire set of Reliability Standards to identify the core reliability requirements. In response, NERC added Project 2010-06 — Results-based Reliability Standards to the 2010 Development Plan. This project will focus on:

- triaging existing approved Reliability Standards to identify those requirements that directly impact reliability and those that are of secondary importance;

- developing performance-based requirements to fill any missing reliability objectives;
- promoting and refining performance-based requirements in the existing Reliability Standards to improve clarity and identified measures;
- revising existing requirements to be more performance-based, if practical and beneficial to reliability.

Many additional comments were received in support of the addition of Project 2010-06 — Results-based Reliability Standards to the 2010 Development Plan.

Other comments reflected concern with the large volume of work contemplated by the 2010 Development Plan and the stress it will place on limited staff and industry resources. NERC understands the commitment of resources required (both industry and NERC specific resources) for the development of quality standards, and is cognizant of the fact that industry resources are not limitless. NERC staff coordinates all standards development activities through the NERC Standards Committee, whose members are industry representatives, and whose consideration includes the potential impact on industry resources when planning standards-related projects and activities.

A few commenters advised that NERC must place more priority on completion of regional "fill-in the blank"[4] standards relative to the development of continent-wide standards. NERC standards staff is in regular contact with the staff responsible for developing Regional Reliability Standards at each of the Regional Entities. In many instances, the Regional Entity has commenced work on a 'fill-in-the blank' standard in order to be able to better coordinate the

[4] In Order No. 693 at PP 287 to 304, FERC discusses fill-in the blank standards. FERC explains that certain Reliability Standards, referred to as fill-in the blank standards, require the Regional Entities to develop certain criteria for use by users, owners, or operators within each region. In P 297, FERC stated that it will not approve these fill-in the blank standards until supplemental information for any Reliability Standard that currently requires a Regional Entity to fill in missing criteria or procedures has been filed at FERC. FERC noted that until such information is submitted for FERC-approval, compliance with fill-in the blank standards should continue on a voluntary basis, and FERC considers compliance with such Reliability Standards to be a matter of good utility practice.

development of the regional standard with the development of the continent-wide standard. Each Regional Entity has a FERC-approved regional standard development procedure. Embedded in the regional standard development process is a requirement that the region seeking approval of a regional reliability standard justify the need for the standard. It is incumbent on those who participate in the regional standards development process to assess the benefit of expending resources on parallel development of a regional standard while the continent-wide standard development process is underway. Each of the regional standards development procedures mandates a fair and open process for the development of standards. Any interested party in the region may utilize that process to participate in determining which standards development projects are pursued and which are not.

IV. CONCLUSION

NERC respectfully requests acceptance of this informational filing in compliance with Section 310 of the ERO Rules of Procedure.

Respectfully submitted,

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EXHIBIT A

Reliability Standards Development Plan: 2010–2012 ("2010 Development Plan")

Volume I: Summary overview of the 2009 Development Plan and identifies significant modifications to the filed 2008 Development Plan.

Volume II: Details the specific standards development projects.

Volume III: Summarizes the expected Regional Entity standards development activity anticipated during the three-year period contemplated by the plan.

(Available on the NERC Website at
http://www.nerc.com/fileUploads/File/Filings/ExhibitA-Info_Dev_Plan.pdf)

EXHIBIT B

Complete Development Record for
Reliability Standards Development Plan: 2010–2012

(Available on the NERC Website at
http://www.nerc.com/fileUploads/File/Filings/ExhibitB-CompleteDevelopmentRecord.pdf)