

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
North American Electric Reliability
Corporation
Docket No. RR21-8-000

February 24, 2022

North American Electric Reliability Corporation
1325 G Street, NW, Suite 600
Washington, DC 20005
Attention: Lauren A. Perotti

Reference: Petition for Approval of Revisions to the NERC Rules of Procedure
Regarding Reliability Standards

Dear Ms. Perotti:

On August 18, 2021, North American Electric Reliability Corporation (NERC) submitted proposed revisions to the NERC Rules of Procedure regarding Reliability Standards. Specifically, NERC proposes revisions to Section 300, Reliability Standards Development; Appendix 3B, Procedure for Election of Members of the Standards Committee; and Appendix 3D, Development of the Registered Ballot Body.

Generally, NERC states that the proposed revisions consist of updates to staff titles, processes, and other language; clarifications to roles and responsibilities with regard to Reliability Standards; and removing unnecessary or duplicative obligations. Among other changes to the Rules of Procedure, NERC proposes to revise sub-section 3.3 of section 305 (Registered Ballot Body), which governs the frequency in which NERC reviews the qualification guidelines and rules for industry members to join the 10 industry segments that vote on NERC Reliability Standards. Instead of reviewing segment criteria at least every three years, NERC proposes to modify section 305.3.3 to require review of the guidelines and rules for joining segments “periodically.” NERC states this revision was necessary to provide consistency with its guidelines in Appendix 3D of the NERC Rules of Procedure.

Please be advised that the filing is deficient and additional information is required by the Commission to evaluate the filing with respect to proposed changes in section 305.3.3 of the NERC Rules of Procedure. Please provide complete responses to the

information requested below.

1. NERC states that the proposed revision to section 305.3.3 is for consistency with similar provisions in Appendix 3D. Currently, section 305.3.3 requires a review of the guidelines and rules for industry members to join NERC's industry segments that vote on proposed Reliability Standards at least every three years, and Appendix 3D requires periodic review for the same set of guidelines and rules.
 - a. Please explain why it is preferable to revise section 305.3.3 to require periodic review instead of updating Appendix 3D to require review every three years. For example, if NERC seeks additional flexibility as to when it conducts the reviews, please explain why additional flexibility is needed.
 - b. Please explain any issues encountered with conducting these reviews "at least every three years," and how the shift to "periodic" reviews addresses these issues.
2. Please also explain how NERC conducts reviews "at least every three years" under the current provision, such as the timing and process for conducting these reviews.
 - a. How often were the reviews conducted? If reviews occurred less than every three years, explain what circumstances triggered or preempted a review of segment criteria in a period less than three years.
 - b. The current provisions for reviewing segment criteria in both section 305.3.3 and Appendix 3D state that "public input will be solicited in the review of these guidelines."
 - i. Please explain the process that NERC uses to solicit public input when reviewing segment criteria.
 - ii. Please also explain, outside of this review process, whether stakeholders/public can provide input or report on potential inequities in the segment criteria, and whether and how this has occurred in the past.
 - c. Please indicate how often previous reviews of the segment criteria have resulted in changes to qualification guidelines/rules and describe the nature and significance of those changes.
3. Please explain the periodicity NERC intends to use instead of "at least every three years."

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- a. What events would trigger a review of segment criteria, and on what basis would NERC determine that a review is necessary to ensure the segment criteria process continues to be fair, open, balanced, and inclusive?
- b. What is the maximum amount of time that NERC expects could elapse between reviews of the segment criteria if the proposal were enacted?
- c. Would future Performance Assessments conducted per 18 C.F.R § 39.3(c) also include reviews of the registered ballot body segment criteria?
- d. Please explain any process changes for conducting reviews that may change as a result of not having a review period on a regular periodic timetable in the NERC Rules of Procedure.

This letter is issued pursuant to 18 C.F.R. § 375.307 (2021) and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713 (2021). A response to this letter must be filed within 30 days of the date of this letter by making an amendment filing in the above captioned docket. A notice of amendment will be issued upon receipt of the response.

In addition, submit an electronic version of your response to Ms. Amanda Bradshaw at Amanda.Bradshaw@ferc.gov.

Failure to respond to this letter within the time period specified may result in a further order rejecting your filing.

Issued by: Penny Murrell, Director, Division of Electric Power Regulation – Central

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