

July 6, 2018

LS Power Transmission, LLC (“LPST”) response to Section 7 of Draft #2 of the Standard Processes Manual (“SPM”) posted 6/25/18¹

LSPT believes that Section 7: Process for Developing an Interpretation should be changed by modifying the NERC Rules of Procedure (“ROP”) definition of “Interpretation” to include all mandatory and enforceable components of a Reliability Standard. In addition, Section 7 does not require the NERC Staff to respond to an Interpretation request within a defined timeframe. The SPM team should clarify whether it believes Section 8 applies to a NERC Staff delay in responding to an Interpretation request.

Mandatory and Enforceable Components of a Reliability Standard

The last paragraph in Section 2.5 of the proposed SPM clean version states:

“The only mandatory and enforceable components of a Reliability Standard are the: (1) applicability, (2) Requirements, and the (3) effective dates.”

The definition of “Interpretation” in Appendix 2 of the NERC’s ROP is excerpted below. It is not a NERC Glossary term.

“Interpretation” means an addendum to a Reliability Standard, developed in accordance with the NERC Standard Processes Manual and approved by the Applicable Governmental Authority(ies), that provides additional clarity about one or more Requirements in the Reliability Standard.

Section 7 addressed only one of the three mandatory elements of a Reliability Standard. There is no other forum within NERC that allows a Registered Entity to get the same clarity for the applicability or the effective dates associated with a standard. If the definition of “Interpretation” was changed to include both the “applicability” and “effective date” of a standard, then those requests could be addressed in proposed Section 7 of the SPM.

Changing the Definition of “Interpretation”

A definition change requires an amendment to Appendix 2 of ROP, which may be done per Section 1400. Section 1401, excerpted below, addresses who may initiate a change to the ROP.

1401. Proposals for Amendment or Repeal of Rules of Procedure

In accordance with the Bylaws of NERC, requests to amend or repeal the Rules of Procedure may be submitted by (1) any fifty Members of NERC, which number shall include Members from at least three membership Sectors, (2) the Member Representatives Committee, (3) a committee of NERC to whose function and purpose the Rule of Procedure pertains, or (4) an officer of NERC.

Per NERC’s [Organization Chart](#), the Standards Committee may propose a change per Section 1401, item (3). The SPM team should develop a new definition of “Interpretation”

¹ Posted at [https://www.nerc.com/pa/Stand/Pages/Revisions-to-the-NERC-Standard-Processes-Manual-\(SPM\).aspx](https://www.nerc.com/pa/Stand/Pages/Revisions-to-the-NERC-Standard-Processes-Manual-(SPM).aspx)

concurrent and post it for comments in a subsequent draft SPM that modifies the 6/25/18 posting. The next posting should also modify Section 7 to accommodate the new definition. Comments should be requested on both the new definition and accompanying Section 7 changes.

While a new “Interpretation” definition would be proposed by the Standards Committee under the Section 1400 process, its effective date should be tied to the effective date of the approval of a revised SPM that uses the new definition. Both SPM changes and the new ROP definition would be submitted by the Standards Committee to the NERC Board for its approval, and, if approved, by NERC to Applicable Governmental Authorities. This may be accomplished in a single filing.

NERC Staff Response to an Interpretation Request

In Section 7, NERC Staff receives all Interpretation requests and make a recommendation to the Standards Committee to accept or reject the request. Section 7 has no timetable for action by NERC Staff. Under Section 8.0: Process for Appealing an Action or Inaction, inactions can be appealed at any time. Does the SPM team consider Section 8 as possible remedy for inaction by NERC Staff on an Interpretation request? The SPM team should clarify whether Section 8 applies to inaction by NERC staff delay in responding to an Interpretation request. If it does not apply, the SPM team should explain its reasoning.

For questions or discussion, please contact:

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