

Comment Form for Proposed Version 5 of Reliability Standards Process Manual

Please use this form to submit comments on Draft 1 of proposed Version 5 of the Reliability Standards Process Manual. Comments must be submitted by **May 18, 2006**. You must submit the completed form by e-mailing it to sarcomm@nerc.com with the words "Reliability Standards Process Manual" in the subject line. If you have questions please contact Barbara Bogenrief at barbara.bogenrief@nerc.net or 609-452-8060.

ALL DATA ON THIS FORM WILL BE TRANSFERRED AUTOMATICALLY TO A DATABASE.

- DO:** **Do** enter text only, with no formatting or styles added.
 Do use punctuation and capitalization as needed (except quotations).
 Do use more than one form if responses do not fit in the spaces provided.
 Do submit any formatted text or markups in a separate WORD file.

- DO NOT:** **Do not** insert tabs or paragraph returns in any data field.
 Do not use numbering or bullets in any data field.
 Do not use quotation marks in any data field.
 Do not submit a response in an unprotected copy of this form.

Individual Commenter Information	
(Complete this page for comments from one organization or individual.)	
Name:	Ron Falsetti
Organization:	IESO
Telephone:	905-855-6187
E-mail:	ron.falsetti@ieso.ca
NERC Region	Registered Ballot Body Segment
<input type="checkbox"/> ERCOT	<input type="checkbox"/> 1 — Transmission Owners
<input type="checkbox"/> FRCC	<input checked="" type="checkbox"/> 2 — RTOs, ISOs, Regional Reliability Councils
<input type="checkbox"/> MRO	<input type="checkbox"/> 3 — Load-serving Entities
<input checked="" type="checkbox"/> NPCC	<input type="checkbox"/> 4 — Transmission-dependent Utilities
<input type="checkbox"/> RFC	<input type="checkbox"/> 5 — Electric Generators
<input type="checkbox"/> SERC	<input type="checkbox"/> 6 — Electricity Brokers, Aggregators, and Marketers
<input type="checkbox"/> SPP	<input type="checkbox"/> 7 — Large Electricity End Users
<input type="checkbox"/> WECC	<input type="checkbox"/> 8 — Small Electricity End Users
<input type="checkbox"/> NA – Not Applicable	<input type="checkbox"/> 9 — Federal, State, Provincial Regulatory or other Government Entities

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Please Enter All Comments in Simple Text Format.

1. Do you agree with the proposal to change the name of the Standards *Authorization* Committee to the Standards Committee?

Yes

No

Comment

2. Do you agree with the proposal to change the name of the manual from Reliability Standards *Process Manual* to Reliability Standards *Development Procedure*?

Yes

No

Comment

3. Do you agree with the proposed addition of the nine characteristics of an excellent reliability standard?

Yes

No

Comment The IESO believe these to be "sound" characteristics and do not agree with the use of the term "excellent" as it is used here. We suggest removing the word excellent and re-classifying them as "CHARACTERISTICS OF AN ACCEPTABLE RELIABILITY STANDARD" OR GUIDING PRINCIPLES and saying "as previously defined." To describe the standards as "excellent", begs the question: would only "excellent" standards be qualified as the minimum requirements, and if so, what would be good or average standards?

4. Do you agree with the proposed addition of the reliability risk factors to the standard template to allow such risk factors to be developed for use in the setting of financial penalties for violations of reliability standards?

Yes

No

Comment There needs to be additional information to identify which standards are of administrative nature only that have no immediate adverse impact on reliability.

5. Do you agree with the proposed transfer of the levels of non-compliance and other compliance information out of the standard template for development in a due process under the NERC compliance program?

Yes

No

Comment There are a number of issues with this move. Standard requirements and compliance elements need to be developed together and at the same time for the industry

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to have a wholistic review, offer comments and cast ballot. Please see our detailed comments on "Proposed Procedure for Development of Compliance Elements in a Standard". I'D SUGGEST THE OPPOSITE - GET A DRAFTING TEAM COMPOSED OF INDIVIDUALS WHO REALLY UNDERSTAND WHAT IT TAKES TO ENSURE RELIABILITY, AND LEAVE THE COMPLIANCE ASPECTS TO THOSE WHO SPECIALIZE IN THEM. I THINK THERE ARE TWO DISTINCT SKILL SETS. ONE BENEFIT I CAN SEE IS THAT I'D EXPECT A LOT MORE CONSISTENCY IN COMPLIANCE CONDITIONS AMONG STANDARDS IF YOU KEEP THE STANDARDS DEVELOPERS AWAY FROM TRYING TO BE POLICEMEN.

6. Do you agree with the proposed modification of the ballot procedure (Step 9) to proportionally discount the vote weight of a segment that has less than 10 entities voting (i.e., the segment would count one tenth of the regular weight of a segment for each of the first nine entities voting in the segment; the segment would have the full weight of a segment if ten or more entities voted)?

Yes

No

Comment

7. Do you agree with the proposed clarifications to the procedure for the five-year review of existing standards?

Yes

No

Comment

8. Do you agree with the proposed changes to the supporting documents for standards, including the requirement that such supporting documents would be approved by the Standards Committee before being posted with the standard?

Yes

No

Comment

9. Do you agree with the proposed revisions to the Registered Ballot Body segment criteria, including the modification to address vendors and consultants?

Yes

No

Comment The IESO is very concerned with the proposal. Vendors and consultants are not users owners or operators of the BPS and there are potential conflict of interest issues that have been raised for entities engaged in selling goods and services related to the operation and reliability of the BPS and the influence they can exercise by being distributed throughout all the Segments.

It is the IESO's view the philosophy of the ballot body has been to give votes to those who are directly impacted by reliability standards or those who have a vested role in ensuring

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implementation or overseeing standards (RRO, Regulators). Venders and consultants, though they provide products and services to entities eligible to join Segments 1 to 7, are one step removed, and could potentially dominate a segment, while having a financial interest with its outcome.

The IESO also notes that the 12 segments identified in the ERO application do not include the vendors and consultants and believe it is inappropriate to include them in the RS voting process.

10. Do you agree with other proposed revisions to the Reliability Standards Process Manual not addressed by the questions above?

Yes

No

Comment The term "bulk power system" should be changed to "bulk electric system" - a defined term in the NERC Glossary, to be consistent with the term used in all standards.

11. With due consideration of comments provided above, would you consider that the revised manual:

Is ready for a ballot of stakeholders.

Is not ready for a ballot of stakeholders and requires more work.

Should be withdrawn and the proposed modifications not made.

Comment With the current RSPM version included in NERC's ERO application filed with FERC, it is imperative the manual remain unchanged, with the exception of the step 9 process change regarding discounting a segment with less than 10 to correct an acknowledged flaw, until after FERC rules on the ERO application.

While the industry may wish to continue to modify the draft version to reflect industry comments there does not appear, other than the known flaw, to be any real urgency to have a new version done apart from:

(a) The name change to SAC and the Manual, neither of which has any material or process impact;

(b) Transferring the levels of non-compliance and other compliance information out of the standard templates for development in a due process under the NERC compliance program, which we do not support [AGAIN, I QUESTION THIS POSITION]

After FERC ruling on the ERO filing, and assuming NERC becomes the ERO, there will be a need for another round of changes to reflect the new organization name. We see that being a more suitable time to make these other changes that we and the majority of the industry support.