

American Public Power Association (APPA) and Transmission Access Policy Study Group (TAPS) Comments

The American Public Power Association (APPA) and Transmission Access Policy Study Group (TAPS) thank the Modernization of Standards Processes and Procedures (MSPP) Task Force for its dedication and willingness to engage with industry throughout this highly collaborative process. The Task Force performed a thorough analysis of the standard development lifecycle, thoughtfully identified opportunities for improvement, and made a good faith effort to address stakeholder concerns to proposed changes. In particular, we appreciate the Task Force's consideration of the serious concerns raised by APPA and TAPS that consolidating the Load-Serving Entity and Transmission Dependent Utility segments for balloting purposes, as proposed in October 2025, would fail to achieve the Registered Ballot Body objective of ensuring that distinct perspectives are captured by the ballot body and that each group of entities with a common set of interests is fairly represented. Maintaining the separation of these segments goes a long way toward ensuring broadly acceptable, technically sound standards.

The Task Force's recommendations, appropriately implemented, move us toward the objective of a more effective and efficient industry-driven standards development process that continues to produce technically strong standards that can be fairly applied to the wide range of registered entities required to comply with them. We highlight a particularly important element of the Final Recommendations—the recommended structure and composition of the proposed RISC Subcommittee, which was developed in a collaborative matter in response to industry feedback. As envisioned, the RISC Subcommittee will consist of “RISC members, elected sector representatives, and other individuals with strategic or technical expertise,” Final Recommendations at 13, with eleven of fifteen members consisting of elected industry representatives. *Id.* Given the level of discretion the RISC Subcommittee will have over critical decisions required throughout significant phases of the standards development process, APPA and TAPS believe industry involvement in the Subcommittee is critical to its success and is thus highly supportive of the substantial role for industry contemplated in the Final Recommendations.

- Even beyond the RISC Subcommittee, APPA and TAPS are supportive of the recommended inclusion of opportunities for industry input throughout the standards development process, including:
- The incorporation of useful “straw polls” to measure industry consensus on “Term Sheets” and whenever written comments are solicited during the drafting process, and the sensible recommendation, *id.* at 29, that a task force “establish a procedure document that describes the straw poll process, defines optimal straw poll

response options for assessing consensus on standards, and provides guidance for interpreting results;”

- The flexible and expanded Subject Matter Expert pool from which project teams may be assembled; and
- The opportunity for active observers to participate in the drafting process.

We therefore recommend that the Board approve the Task Force’s Final Recommendations.

But approval of the Final Recommendations is only the beginning of a process that will be carried out over the course of the next few years. While the Final Recommendations lay out the general structure of the new process, the details of turning that framework into a working standard development process remain to be finalized. To ensure success in this implementation phase, we offer the following suggestions.

First, NERC should maintain at least the same level of transparency and meaningful stakeholder engagement during the implementation phase as the Task Force had during the development of the Final Recommendations. We and our members are committed to continuing our collective participation and contributions to implementing the changes.

Second, we reiterate our support for the development of metrics both during and after implementation. Stakeholders are eager to see a standard development process that responds more quickly to the needs of a rapidly changing risk landscape. Establishing metrics during and after implementation will be key to identifying the parts of the process that are working correctly and what can be improved upon. Having metrics to track whether the proposed process changes are improving NERC’s ability to respond to and reduce risk to the electric grid will be critical to ensuring the new process’s success.

Third, we draw the Board’s attention to the following five issues that are not fully addressed by the Final Recommendations, but that will have very significant impact on whether the implementation phase will achieve the goals of promoting transparency, stakeholder feedback, and consensus:

1. **Clearly define the governance structure for the new process.** The Final Recommendations do not provide comprehensive details on the “oversight” role that the Reliability Issues Steering Committee (RISC) and the Board will have over the RISC Subcommittee. During the implementation phase, it will be important to identify—and appropriately limit—the authorities of the RISC and Board to approve, change, or overrule decisions made by the RISC Subcommittee.

- 2. Clearly define conditions and criteria for Fast Track projects, non-complex projects, and exceptions.** The new process envisions exceptions to when the regular standards development process might be bypassed or shortened, including for “fast-track” projects, projects that are not complex, and standards that fail to pass balloting. During the implementation phase, we urge NERC to develop clear criteria and guidelines for when these extraordinary procedures may be used.
- 3. Thoroughly test new tools and reports with stakeholders.** The Final Recommendations contemplate the implementation of new software systems for voting and commenting, as well as new reports and informational resources for stakeholders who are tracking the development of standards. We strongly urge NERC to ensure that all new software systems and new reports are thoroughly tested with stakeholders. Glitches in the tools for voting and commenting or loss of visibility into information that stakeholders, particularly registered entities, use for preparing their compliance programs would compromise the success of the implementation.
- 4. Create clear processes for developing documents associated with standards that have similar levels of transparency, commenting, and consensus as the standards themselves.** In addition to drafting the text of reliability standards, the current standards development process produces several other documents, including Reliability Standard Audit Worksheets), Violation Severity Level Guidelines, Violation Risk Factor Guidelines), Implementation Plans, and Interpretations. The Final Recommendations do not provide details on how these supplementary documents will be created. During the implementation phase, we urge NERC to clearly define how these documents will be created in a way that maintains the levels of transparency, commenting, and consensus of the current process.
- 5. Ensure that Regional Entities have the opportunity to comment on and inform the development of standards.** Regional entities have historically provided valuable feedback and insight to the drafting teams. While the Final Recommendations remove their segment from balloting, we recommend that they still be allowed—and encouraged—to comment on standards.

Finally, we urge the Board to allow for some flexibility in the implementation of the Final Recommendations. As elements of the Final Recommendations are tested and implemented, some details may prove unworkable or inefficient. In those cases, the Board should allow for common sense changes to achieve the Final Recommendation’s goals.

APPA and TAPS look forward to continuing to work collaboratively to ensure the future success of the reforms and standards development process.