

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

North American Electric)
Reliability Corporation) Docket No. RR24-4-001

**COMMENTS OF THE ISO/RTO COUNCIL IN SUPPORT OF NERC’S
SUPPLEMENTAL FILING TO THE FIVE-YEAR ELECTRIC RELIABILITY
ORGANIZATION PERFORMANCE ASSESSMENT REPORT**

The ISO/RTO Council (“IRC”)¹ submits these comments in support of the North American Electric Reliability Corporation’s (“NERC’s”) Supplemental Filing to the Five-Year Electric Reliability Organization Performance Assessment Report in Accordance with 18 C.F.R. § 39.3(c).

NERC’s Supplemental Filing outlines additional Electric Reliability Organization (“ERO”) Enterprise efforts to more efficiently deploy ERO, Regional Entity, and Registered Entity resources by: (1) employing a Potential Noncompliance abeyance period where appropriate for new or revised Reliability Standards; (2) streamlining the processing of issues deemed to be Compliance Exceptions; and (3) focusing on timely data analysis to report on trends, themes, and recommendations.

The IRC strongly supports the initiatives NERC outlines in its Supplemental Filing. Given the unprecedented pace of change facing the electric industry, it is more important than ever to evaluate NERC’s programs, processes and procedures to ensure that NERC,

¹ The IRC comprises the following independent system operators (“ISOs”) and regional transmission organizations (“RTOs”): Alberta Electric System Operator (“AESO”); California Independent System Operator (“CAISO”); Electric Reliability Council of Texas, Inc. (“ERCOT”); the Independent Electricity System Operator (“IESO”) of Ontario; ISO New England Inc. (“ISO-NE”); Midcontinent Independent System Operator, Inc. (“MISO”); New York Independent System Operator, Inc. (“NYISO”); PJM Interconnection, L.L.C. (“PJM”); and Southwest Power Pool, Inc. (“SPP”). AESO does not join these comments.

Regional Entities, and Registered Entities utilize their resources effectively to best address current and emerging significant reliability risks. The IRC believes that the enhancements set forth by NERC are consistent with this goal.

First, establishing a Potential Noncompliance abeyance period for new or revised Reliability Standards when deemed appropriate will enhance the feedback loop to the Regional Entities and NERC, providing better and faster data on whether a Reliability Standard has the desired impact on the reliability risks it seeks to address, or whether ambiguous or ineffective language creates compliance challenges that defeat the intention of the Reliability Standard. In this way, NERC can more quickly pivot as needed to address any potential shortcomings in a Standard. Further, reduced burdens of immediate compliance risk among Registered Entities may ease concerns that may otherwise delay the drafting and balloting process for new or revised Reliability Standards.

Second, streamlining the processing of Compliance Exceptions will significantly ease the administrative burden faced by Regional Entities and Registered Entities by shortening the lag time in processing these minimal risk issues. Tailoring the self-report form to gather all needed information at the outset will reduce Regional Entity reliance on Requests for Information that too often seek information that is duplicative of information already contained within a self-report or otherwise extraneous to the disposition of a Potential Noncompliance - often a year, two years, or more after the Potential Noncompliance was reported and mitigated. The time now spent processing these minimal risk issues does little to enhance reliability; instead, it consumes resources that would be better spent addressing emerging reliability issues.

Further, the IRC appreciates NERC's commitment that this streamlined approach will be available to "[a]ll Registered Entities . . . provided that the Regional Entity assesses

the risk of the noncompliance as minimal and there are no aggravating factors that would warrant escalation to a different disposition method.” As entities committed to self-discovery, self-reporting, and effective mitigation of compliance issues that arise, the IRC looks forward to the resulting efficiency gains for its members and the Regional Entities that oversee our compliance monitoring. The IRC also agrees with NERC’s commitment to achieve consistency among Regional Entities in processing compliance matters.

The Commission’s acceptance rate of issues deemed by NERC to be minimal risk Compliance Exceptions over the last five years—over 99.7%—demonstrates that NERC’s monitoring and oversight of compliance is strong, and that NERC’s judgement is consistent with the Commission’s priorities and expectations. Permitting NERC’s exercise of greater discretion will enhance reliability by allowing NERC, Regional Entities, and Registered Entities to better allocate resources and improving the efficiency of NERC’s Compliance Monitoring and Enforcement Program.

CONCLUSION

The IRC respectfully requests that the Commission accept and consider these comments in support of NERC’s Supplemental Filing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 22nd day of November 2024.

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