

MSPPTF Potential Improvement Opportunities Industry Feedback Questionnaire

Responses Due by August 27, 2025

The Modernization of Standards Processes and Procedures Task Force (MSPPTF) invites stakeholders to provide feedback on a white paper on potential improvement opportunities for transforming how NERC develops its Reliability Standards in three areas: standards initiation, standards development, and balloting.

The MSPPTF was formed by a February 2025 NERC Board of Trustees resolution to conduct a strategic review of and re-envision the standards process. The goal of this initiative is to enable the timely resolution of reliability issues that merit a standard while maintaining the traditional hallmarks of stakeholder engagement for which NERC is known.

The MSPPTF has been working diligently since its inception under the following guiding principles:

- Transform and Modernize the Process: Re-envision a modernized standard development process to address evolving risks.
- Create Efficiencies: Identify areas of opportunity and recommendations to save time and remove redundant steps in the current process.
- Develop a Trusted Process: Provide clear opportunities for stakeholder input, due process, openness, and balance of interests.

Resources regarding the MSPPTF (including the white paper) can be found on the [MSPPTF's web page](#).

Demographic Questions

- 1) **Fill-in-the-Blank:** Please identify yourself.
 - a) First Name
 - b) Last Name
 - c) Email
 - d) Company
- 2) **Multiple Choice:** Who are you responding on behalf of? Please indicate if you are providing feedback in your own personal capacity or on behalf of an organization.
 - a) I am responding as an individual (sharing my own personal views or experience).
 - b) I am responding on behalf of the organization I work for (as an employee or official representative).
 - c) I am responding on behalf of an organization I represent but am not employed by (e.g., external consultant or legal representative).

Fill-in-the-Blank: If you answered C in the previous question, “I am not employed by (e.g., external consultant or legal representative)” please indicate on whose behalf you are responding.

Standard Initiation Questions

- 3) **Free-Response:** What opportunities, or aspects of the opportunities, do you support the Task Force pursuing and why? Do you have any suggestions to enhance them? Please refer to the Standards Initiation potential improvement opportunities in the white paper (pages 13-19). The white paper can be found here: <https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.

The American Public Power Association (APPA) supports some elements of Opportunity 1—specifically the biannual review process and the development of “term sheets”—provided that the specific changes discussed below are implemented. APPA also supports some elements of Opportunity 2—specifically the use of the Reliability and Security Technical Committee (RSTC) to conduct the biannual review and create term sheets.

A biannual review process to vet and prioritize standard development projects will be effective, provided there is an exception process for standards that need urgent vetting and prioritization. The proposed biannual process would allow for a more holistic review of Standard Initiation Requests (SIRs) and facilitate consistent application of risk criteria across standards projects. However, the process should include exceptions for whenever a SIR submitter believes that they have identified a reliability gap that requires urgent resolution, thereby triggering vetting and prioritization of the SIR between biannual reviews.

Developing a term sheet at the beginning of the standard development process will facilitate early consensus building and improve efficiency, provided that the term sheet addresses essential elements of the standard and that stakeholders have ample opportunity to comment on the term sheet. In principle, the term sheet must address all the contentious issues that are expected to arise in a project, including who will have what obligations, what assets will be subject to the requirements, what scope of exceptions will be allowed, and how much residual risk is acceptable to the drafting team and industry. A term sheet must achieve broad stakeholder consensus on essential elements of the standard before being approved. Developing broad stakeholder consensus on these essential elements of a standard, before drafting the text of the standard, could address some of the issues that have been identified with the existing standard drafting process.

Developing a good term sheet that addresses reliability risks while also addressing stakeholder concerns will likely take time, but it is better to front-load that effort rather than go through numerous formal balloting rounds. Stakeholders must be given ample opportunity to comment on the term sheet and be allowed to submit indicative ballots with their comments on the term sheet. Indicative ballots, while not binding, will provide an objective measure of whether the term sheet has broad support from stakeholders.

The RSTC—or alternatively a new committee/subcommittee with membership that mirrors the RSTC—should be tasked with performing the biannual review of SARs and creating term sheets. The existing RSTC already has the technical knowledge and representative composition of industry to perform the proposed biannual reviews whereby SIRs are vetted, prioritized, and term sheets are created. Additionally, the RSTC already has a process for reviewing and submitting SARs and has access to the numerous talented working groups that report to it. Establishing a new “Stakeholder Council” to perform these functions is therefore unnecessary. Nevertheless, if a new committee is created, that committee must have membership elected by stakeholders in a way that is balanced, inclusive, and representative; and the committee should have a broad range of technical expertise to carry out its functions. The membership of the RSTC, with its two representatives from each sector plus at-large members nominated by stakeholders and approved by the Board, is the right model for any new committee.

- 4) **Free-Response: What opportunities, or aspects of the opportunities, concern you? Why? Do you have any suggested modifications to address those concerns?** *Please refer to the Standards Initiation potential improvement opportunities in the white paper (pages 13-19). The white paper can be found here: <https://www.nerc.com/gov/bot/MSPP/MSPP/TF%20White%20Paper%20-%20July%202025.pdf>.*

APPA would not support Opportunity 1 if the changes discussed in response to Question 1 were not implemented.

- 5) **Free-Response: Standard Initiation: What additional suggestions or input do you have for the Task Force’s consideration?** *Please refer to the Standards Initiation potential improvement opportunities in the white paper (pages 13-19). The white paper can be found here:*

<https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.

As discussed in response to Question 1, the proposal to develop a term sheet and build stakeholder consensus early in the standard development process has the potential to improve the efficiency of standards development. But the details of what goes into such a term sheet, the process for drafting it, and the process for building stakeholder consensus on it, will require some experience to fully develop. APPA recommends that, if these changes are adopted, NERC use several standards as pilot projects to test the process before applies it to all standards.

Standard Development Questions

- 6) **Free-Response: What opportunities, or aspects of the opportunities, do you support the Task Force pursuing and why? Do you have any suggestions to enhance them?** *Please refer to the Standards Development potential improvement opportunities in the white paper (pages 20-27). The white paper can be found here:*
- <https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.

APPA supports some elements of Opportunity 1—specifically the use of industry expertise to translate a term sheet into technically-justified, clearly enforceable standards—provided that the specific changes below are implemented. APPA also supports Opportunity 3.

All term sheets, after approval, should be assigned to a standard drafting team composed of industry members to efficiently develop standards. If a term sheet achieves broad industry support while addressing reliability risks, then it should be relatively straightforward for the drafting team to produce a first draft of a standard based on the concepts agreed upon in the term sheet. The MSPPTF suggests a central role for artificial intelligence to develop first drafts of standards, and potentially passing over a drafting team altogether; APPA does not support that proposal. Instead, drafting teams of industry experts should continue to lead the development of standards in all cases, and those experts should make use of all appropriate tools, including artificial intelligence tools approved under NERC’s policies, to most efficiently draft standards and incorporate stakeholder feedback.

Incremental standard development improvements discussed in Opportunity 3 should be implemented. With each nomination of a project drafting team, NERC should be open to trying new approaches that may help with process efficiency. More technical conferences, increased

outreach and collaboration, and the improved defining of roles and responsibilities on drafting teams with each passing project could improve drafting, especially if there are a lot of projects being assigned to drafting teams.

- 7) **Free-Response: What opportunities, or aspects of the opportunities, concern you? Why? Do you have any suggested modifications to address those concerns?** *Please refer to the Standards Development potential improvement opportunities in the white paper (pages 20-27). The white paper can be found here: <https://www.nerc.com/gov/bot/MSPP/MSPTF%20White%20Paper%20-%20July%202025.pdf>.*

APPA does not support outsourcing standard drafting (Opportunity 2), nor does APPA support the elements of Opportunity 1 that would allow for NERC staff to draft a standard without any industry expertise.

Outsourcing standard drafting (Option 2) would not be balanced, inclusive, and representative. Although using a third-party to create drafts may improve process efficiency, it would undermine the partnership that NERC has historically had with industry whereby quality standards are created by a group of highly technically qualified industry members with subject-matter expertise. Standard development often requires a high level of technical experience, oftentimes on specific technologies, equipment, and protocols, that a third-party consultant or contractor is unlikely to have.

The white paper incorrectly identifies “concern with compliance” as an issue with the current standard drafting process. The white paper states that the current standard drafting process is hindered by industry participants who are primarily concerned with compliance. That assertion is misleading. NERC’s Benchmarks of an Excellent Reliability Standard state that all standards must clearly identify applicable entities, clearly state the consequences for violation, use unambiguous language, and be practically implementable. Stakeholders have an obligation to comment on standards—and disapprove them in ballots—if the standards fail to meet those benchmarks. Stakeholders’ focus on high quality standards must continue. Moreover, the white paper implies that this focus on high quality standards results in multiple failed ballots that slow down the drafting process; the data suggests otherwise. For example: Projects 2023-07, 2023-04, and 2021-07 each had between four and seven rounds of balloting yet their total project life cycles were between one and one-and-a-half years; on the other hand, Projects 2021-06, 2017-07, and 2015-10 all had between two and four rounds of balloting but were completed in three to 4.5 years. There is no clear tie in the data between increased balloting rounds and significantly longer project timelines; we therefore strongly disagree with the perception that long project life cycles are due to industry forcing numerous ballots over compliance concerns.

- 8) **Free-Response: What additional suggestions or input do you have for the Task Force’s consideration?** *Please refer to the Standards Development potential improvement opportunities in the white paper (pages 20-27). The white paper can be*

found here: <https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.

Consider improvements to project management. NERC should dedicate resources that ensure that every draft team is up to date on project management best practices, as well as lessons learned from previous drafting teams. New drafting team members especially should be familiarized with the process, as well as best practices demonstrated by teams who have passed quality standards efficiently.

Balloting Questions

- 9) **Free-Response:** What opportunities, or aspects of the opportunities, do you support the Task Force pursuing and why? Do you have any suggestions to enhance them? Please refer to the Balloting potential improvement opportunities in the white paper (pages 28-36). The white paper can be found here: <https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.

APPA would support discrete changes to the Registered Ballot Body (RBB) that would improve balance, inclusivity, and representativeness. As discussed below, one such improvement would be allowing stakeholders to vote even if they did not initially join the ballot pool.

Eliminating restrictions on balloting for entities that do not join the ballot pool at the beginning will improve inclusivity. The white paper identified decreased participation in standards balloting over the years— while we believe it is fine for entities not to vote if they determine that they don't have an interest in a particular project, we also believe that opening up balloting will provide an added incentive for more participation from RBB members that realize a standard will impact them further along in a project lifecycle. Nobody should be shut out for coming to this realization late in the process.

- 10) **Free-Response:** What opportunities, or aspects of the opportunities, concern you? Why? Do you have any suggested modifications to address those concerns? Please refer to the Balloting potential improvement opportunities in the white paper (pages 28-36). The white paper can be found here: <https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.

APPA does not support Opportunity 1 (Standing Ballot Body) or Opportunity 2 (Notice-and-Comment).

A standing ballot body cannot be fully balanced, inclusive, and representative. The defining feature of NERC's standards development process has been that *all* stakeholders who have an interest in a standard have a direct say in whether that standard is approved. Allowing for individual stakeholders to vote on standards has ensured that ballots receive input from everyone who believes they may be affected. (While many stakeholders choose not to participate in every ballot, that too is a signal—that a non-voting stakeholder does not believe it is affected). The proposal to silence the voices of individual stakeholders and replace it with a representative standing ballot body would only be possible if the standing ballot body was representative of all stakeholders. But there is simply too much diversity among all the stakeholders to be adequately represented by two dozen individuals.

Within the public power community, for example, there are hundreds of utilities that are not NERC registered entities, but who depend on NERC standards to improve the reliability of service they receive from others. There are also hundreds of public power utilities that carry out essential reliability functions for the bulk power system. And among those, there is significant diversity of which functions they perform, their asset mix, number of customers, and region. This massively diverse group is sometimes aligned on what a standard should do, but frequently the diverse utilities have differing viewpoints on an issue. And every sector of NERC's stakeholders reflects similar diversity (consider, for example, the diversity of views of state commissions from California to Texas to Kentucky, all of whom would be represented by a single sector on the standing ballot body). The white paper's proposal offers no indication of how two voting individuals could possibly reflect the full diversity of the sector.

Eliminating balloting in favor of a notice-and-comment process will not ensure that standards development is open and fair and appropriately balances the interest of stakeholders. The proposal to eliminate balloting—even if just for certain projects—would fundamentally change the nature of how standards are developed. Today—with very narrow exceptions provided for in Rule 321 of NERC's Rules of Procedure—no standard can be adopted without a consensus vote from the Registered Ballot Body. As a result of this collaborative, inclusive, balanced decision making process that prioritizes technical expertise, NERC standards have rarely been challenged at the Federal Energy Regulatory Commission and never been challenged in federal courts. While time consuming to develop consensus-based standards approved by a diverse voting body, the up-front effort needed to build consensus avoids expensive and time-consuming litigation later.

Replacing the Registered Ballot Body of technical experts with the non-expert NERC Board of Trustees—who would decide on whether a standard improves reliability based on their reading of comments—would be deeply harmful to the credibility and technical soundness of NERC's standards. Standards that lack technical justification and/or standards that cannot be practically implemented by all those affected will, at best, increase consumer costs without improving reliability; at worst, such standards will harm the reliability of the bulk power system. The MSPPTF should therefore not adopt this proposal.

11) Free-Response: What additional suggestions or input do you have for the Task Force's consideration? *Please refer to the Balloting potential improvement opportunities in the white paper (pages 28-36). The white paper can be found here: <https://www.nerc.com/gov/bot/MSPP/MSPPTF%20White%20Paper%20-%20July%202025.pdf>.*

APPA has three suggestions on how NERC should consider implementation of any changes adopted by the MSPPTF.

Any changes to the Standards Process Manual must be voted on by the Registered Ballot Body. Section 15.1 of the Standards Process Manual governs any changes to the processes for developing standards. It requires that changes to the Standards Process Manual be overseen by the Standards Committee and it only permits changes to be submitted to the Board after approval by the Registered Ballot Body. The MSPPTF should therefore be mindful of changes that are strongly opposed by stakeholders because such changes are unlikely to be implemented consistently with the requirements of the Standards Process Manual.

NERC should pilot any Board-approved changes for four projects in 2026, before implementing any changes to the Rules of Procedure. A pilot process would allow NERC and stakeholders to resolve many details that were not addressed in the white paper. Documenting the process changes in the rules of procedure or standards process manual without having any experience with the new process is likely to result in gaps or errors. In addition to identifying gaps, NERC should also monitor key performance measures to assess whether the piloted changes are meeting MSPP objectives as intended.

NERC should implement changes to standard initiation and standard drafting and postpone changes to balloting. The MSPPTF is proposing numerous opportunities in standards initiation and development that, if they work, will introduce significant efficiency benefits. The white paper assumes that improvements early in the standards development process will smooth out most issues with balloting; the corollary of that assumption is that changes to the balloting process may be unnecessary if the other improvements are successful. We therefore encourage the task force to implement process changes to standards initiation and development first, then evaluate whether changes to balloting are needed to achieve incremental improvements.

Thank you for taking the time to provide your feedback. The MSPPTF will consider your feedback as it develops draft recommendations.

Resources regarding the MSPPTF (including the white paper) can be found on the MSPPTF's web page.

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