



April 22, 2011

The Honorable Jon Wellinghoff
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Chairman Wellinghoff:

The National Institute of Standards and Technology (NIST) appreciates the opportunity to offer some observations on comments provided to the Federal Energy Regulatory Commission (FERC, the Commission) in response to the Commission's Supplemental Notice Requesting Comments of February 16, 2011 (Supplemental Notice).

We have reviewed all of the comments submitted in response to the Supplemental Notice and observe that the majority are supportive of the suggestions made by NIST in our April 7th letter to you, and in particular, of the following key points:

- The Commission is encouraged to endorse the use of the NIST interoperability framework as implementation guidance rather than mandating the use of individual standards.
- It would be helpful for the Commission to reinforce past policy statements to clarify what "adoption" implies.

NIST would like to address points made by several respondents concerning the openness and transparency of the NIST process, the adequacy of utility representation in the process, reliability and implementability considerations, and accessibility of standards referenced in the NIST Framework.

NIST believes that openness, transparency and balance are keys to consensus building around smart grid standards. NIST designed and implemented the SGIP process to ensure that it is open to participation by any interested stakeholder. Thus, to minimize economic and logistical barriers to participation, no membership fees are required to participate, and attendance at SGIP meetings is available via web-based participation and teleconference services. We believe that this approach has been effective, as noted in SISCO's comments: "If SISCO, which is a small company with limited resources, has found that the NIST SGIP consensus process is open and accessible it is inconceivable that other organizations that are many times the size could find the NIST process inaccessible to them. From our perspective the only thing required to participate is the willingness and commitment to participate."

NIST agrees that greater utility representation in the SGIP is desirable, and appreciates the efforts of the Edison Electric Institute and other stakeholders in working with NIST to encourage

this. We believe that FERC, as well as state and local regulators, can also play a helpful role in encouraging increased utility participation. As noted above, the SGIP process is open to any stakeholder, and there are no membership fees or travel required to participate. NIST believes that there is no significant barrier to increased representation by utilities with interest in participating in the SGIP.

While we support encouraging greater participation by utilities, we also note that there has been significant utility involvement to date in the SGIP process. NIST believes it is important to have representation from all stakeholders in the Smart Grid. The SGIP includes 22 identified stakeholder categories, and we are striving for participation in all 22 categories. The SGIP Governing Board has one voting member from each of these 22 stakeholder categories including 3 at-large voting members. Out of the 25 voting members on the Governing Board, 7 are elected from stakeholder categories representing the electric power industry:

- Category 5 Electric Utility Companies — Investor Owned Utilities (IOU) and Publicly Owned Utilities
- Category 6 Electric Utility Companies — Municipal (MUNI)
- Category 7 Electric Utility Companies — Rural Electric Association (REA)
- Category 9 Independent Power Producers
- Category 16 Renewable Power Producers
- Category 17 Retail Service Providers
- Category 21 Transmission Operators and Independent System Operators

In particular, there are about 95 participating utility member organizations out of a total of 555 organizations. Likewise, there are roughly 360 utility participating member individuals participating in the SGIP representing these 95 organizations. Further, participation in the Working Groups and Priority Action Plans are open to all. The work of these SGIP groups is posted on an open Wiki collaboration website for review by anyone. NIST will continue to work with EEI and other stakeholders to further encourage utility participation in the SGIP.

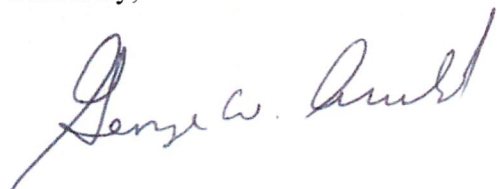
NIST appreciates comments provided to FERC that suggest ways to improve the SGIP's processes. The SGIP Governing Board includes a Bylaws and Operating Procedures Working Group that was established to provide a well-defined mechanism for continued improvements to the SGIP processes. NIST will continue to encourage the SGIP to consider and act on stakeholder suggestions for useful improvements.

NIST agrees with comments made by EEI and other stakeholders on the importance of including operational impacts (e.g., reliability and safety), cost effectiveness and implementation issues (e.g., legacy migration) in reviewing standards for potential inclusion in the NIST Framework. NIST notes that SGIP committee and working group reviews of standards provide a mechanism for consideration of these and other aspects of standards, including cybersecurity, and these would be aided by enhanced utility and NERC participation in the SGIP process. NIST welcomes these suggestions for potential improvements to SGIP processes pertaining to these aspects, and encourages the SGIP to address these suggestions through its established mechanisms for process improvement.

Finally, I would like to address comments made by several respondents about the cost to obtain copies of standards documents cited in the NIST Framework. Several respondents recommended a requirement that all Smart Grid standards have "open access" to ensure all text was readily available at no or minimal charge to all stakeholders. There are many different business models by which Standards Developing Organizations (SDOs) recover costs associated with the development and publication of standards, and neither NIST nor the SGIP can impose a single model on the many SDOs that develop standards for the Smart Grid. Generally, SDOs have demonstrated flexibility in working with stakeholders to provide access to published standards if they cannot afford them. NIST has worked with ANSI and the SDOs whose standards are cited in the NIST Framework to make these standards available at no charge to participants in the SGIP process for the purposes of review by SGIP working groups. The standards are accessible through a web portal created by ANSI for this purpose.

On behalf of NIST, I thank the Commission for this opportunity to comment, and look forward to continuing opportunities to work with the Commission.

Sincerely,



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