

**To:** North American Electric Reliability Corporation (NERC)  
**From:** New England States Committee on Electricity (NESCOE)  
**Date:** August 14, 2017  
**Subject:** NERC’s Draft ERO Enterprise Long-Term Strategy

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NESCOE respectfully submits the recommendation below in response to NERC’s July 20, 2017 request for comments on the 2017 draft ERO Enterprise Long-term Strategy (the Draft Strategy). NESCOE is New England’s Regional State Committee, representing the collective perspective of the six New England states in regional electricity matters.

***Recommendation: Focus Area 5 – “Achieve Greater ERO Enterprise Operating Effectiveness and Efficiency” – Should be Expanded to Include Cost-Effectiveness Methods for Standard Development***

For five years, NERC has discussed implementation of a cost-effectiveness tool, initiating a number of pilot projects and other activities. This past April, the NERC Board of Trustees sought input from the Member Representatives Committee on this issue, which was discussed at the May meeting of the NERC Board. While these latest efforts are encouraging, NESCOE is not aware of any timeline or targeted date for adopting a cost-effectiveness tool as part of the standard development process.

As NESCOE has stated in past comments to NERC, it is a priority that the appropriate level of infrastructure is in place to achieve a robust and reliable bulk electric system. At the same time, mandatory standards cannot be considered in a vacuum. The standard development process must recognize the magnitude of risk and expected costs associated with such standards. NESCOE supports NERC’s efforts to advance a cost-effective approach to achieving its reliability objective.

NESCOE recommends that the Draft Strategy be revised to include cost-effectiveness methods as part of the standard development process. NESCOE appreciates NERC’s consideration of this important issue.