

DRAFT

Electric Reliability Organization Enterprise Strategic Plan 2012-2015

The ERO Enterprise is a collaborative, international network comprised of the North American Electric Reliability Corporation (NERC) and the eight Regional Entities that brings together collective leadership, experience, judgment, skills, and technologies for ensuring the reliability of the North American bulk power system. This plan summarizes the ERO Enterprise's mission, vision, values and goals; and provides strategic direction and priorities for 2012 and beyond, which will be reviewed, revised, and supplemented every other year, if not more frequently.

Mission

To ensure the reliability of the North American bulk power system.

Vision

To be the trusted leadership that ensures and continuously improves the reliability of the North American bulk power system by implementing relevant standards; promoting effective collaboration, cooperation, and communication around important risks to reliability; and utilizing expertise from the industry to produce outcomes that improve reliability.

Core Values and Principles

The following core values and principles serve as guidelines for the conduct and behavior of all involved in the ERO Enterprise.

Accountability and Independence — The ERO Enterprise will:

- Be accountable for the public responsibilities delegated to it (a public trust obligation).
- Be impartial, independent of special interests, and impervious to improper influence.
- Balance its own independent regulatory judgment with the need to involve those with expert knowledge and experience in bulk power system reliability matters.

Responsiveness — The ERO Enterprise will act in a timely manner on the basis of unfolding events, emerging reliability risks, and the needs of industry and other stakeholders.

Fairness and Inclusiveness — The ERO Enterprise will:

- Be open and transparent.
- Provide access for clear communication with stakeholders.

- Ensure the legitimate interests of all parties are duly considered and balanced in the development of policies and reliability standards, and in its programs and operations.
- Conduct compliance and enforcement actions judiciously and in proportion to risk, paying regard to risks both potential and actual (realized).

Adaption and Innovation — The ERO Enterprise will:

- Continuously assess and prioritize its goals.
- Embrace change and encourage new ideas that contribute to effective action.
- Recognize the complex relationships and potential tensions between reliability objectives and business imperatives (including cost control).
- Be nimble and artful in responding to novel, unfamiliar, and emerging challenges.

Excellence —The ERO Enterprise will:

- Promote and rely upon the active participation of the best technical leaders from industry.
- Strive for excellence and efficiency in all aspects of Enterprise activities.

Efficiency —The ERO Enterprise will make informed decisions regarding efficient use of its resources and resources shared by industry.

Integrity — The ERO Enterprise will:

- Maintain the highest levels of professional and ethical conduct.
- Be intellectually honest, truthful, candid, and without bias.
- Be rigorous and thorough in all it does, doing the right things the right way.
- Earn trust by treating every person with fairness and respect.
- Work to meet or exceed expectations of stakeholders.

Four Pillars for Success

In order to succeed, the ERO Enterprise will emphasize:

- **Reliability** – to address events and identifiable risks, thereby improving the reliability of the bulk power system.
- **Assurance** – to provide assurance to the public, industry, and government for the reliable performance of the bulk power system.
- **Learning** – to promote learning and continuous improvement of operations and adapt to lessons learned for improvement of bulk power system reliability.

- **Risk-based Approach** – to focus attention, resources and actions on issues most important to bulk power system reliability.

Strategic Goals

These pillars of success support the strategic goals of the ERO Enterprise in the following three major areas of focus:

1. Standards and Compliance

- Develop clear, reasonable and technically sound mandatory reliability standards in a timely and efficient manner.* These standards establish threshold requirements for ensuring the bulk power system is planned, designed, operated, and maintained in a manner that minimizes risks of cascading failures, avoids damage to major equipment, or limits interruptions of bulk power supply.
- Be a strong enforcement authority that is independent, without conflict of interest, objective and fair.* The ERO will retain and refine its ability to use standards enforcement when warranted and impose penalties and sanctions commensurate with risk.
- Promote a culture of compliance with mandatory reliability standards across the industry.* The ERO will support the industry by identifying procedures, practices and controls to address reliability risks resulting from noncompliance.

2. Risks to Reliability

- Identify the most significant risks to reliability.* The ERO will identify and prioritize reliability risks, develop effective solutions and interventions, and monitor results.
- Be accountable for mitigating reliability risks.* The ERO will work with industry stakeholders and experts to ensure the mitigation of known risks to reliability using standards enforcement and other methods where appropriate.
- Promote a culture of reliability excellence.* The ERO will facilitate a learning environment throughout the industry through event causal analysis, communication of lessons learned, tracking of recommendations, and implementation of best practices.

3. Coordination and Collaboration

- Improve transparency, consistency, quality and timeliness of results.* The ERO will accomplish this through effective coordination, collaboration and process improvements.
- Operate as a collaborative enterprise.* The ERO will communicate expectations clearly and foster collaboration to deliver important results in advancing system reliability.
- Improve efficiencies and cost effectiveness.* The ERO will accomplish this by engaging the support of stakeholders, being an efficient steward of resources, and leveraging information systems to create efficiencies and process controls.