

Announcement

NERC Filing Uses New Compliance Enforcement Initiative

September 30, 2011

WASHINGTON, DC – The North American Electric Reliability Corporation (NERC) made its first filing using its new Compliance Enforcement Initiative to the Federal Energy Regulatory Commission today.

The initiative is designed to handle issues more efficiently; focus on issues posing a higher risk to reliability; streamline administrative paperwork; and continue to encourage self-reporting and mitigation.

“Through this initiative, NERC is looking to treat matters based upon the risk associated with them,” said Gerry Cauley, president and chief executive officer at NERC. “By identifying, mitigating and resolving issues that do not pose a serious risk to the reliability of the bulk power system, more resources can be focused on violations that *do* pose a risk to the grid.”

The compliance initiative is comprised of three possible tracks: dismissal; find, fix, track and report; and notice of penalty. The dismissal and notice of penalty tracks remain as currently managed; however, the find, fix, track and report track identifies possible violations that are of lesser risk to the grid and allows registered entities to mitigate them with no penalty or sanction applied. The registered entity must provide a statement of completion of mitigation activities, which is subject to verification by the Regional Entity.

The new initiative is a paradigm shift in how issues are processed, and reflects a risk-informed approach that recognizes all possible violations are not equal and should not be treated in the same manner. By focusing resources on violations that have a serious risk to the reliability of the bulk power system, NERC is able to better fulfill its mission to ensure the reliability of the bulk power system of North America.

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