

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2018 ERO Enterprise Effectiveness Survey

Summary of Results

May 2019

RELIABILITY | ACCOUNTABILITY



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Executive Summary

The ERO Enterprise initiated a stakeholder survey in 2015 as one measure of the effectiveness of the ERO Enterprise in executing program activities. Results are used to identify opportunities to improve ERO Enterprise effectiveness and to inform future ERO Enterprise strategic and business planning activities. The ERO Enterprise issued its latest survey on July 27, 2018.

After evaluating the results of the July 2018 survey, several items were identified for focus within the following areas: (1) ERO Enterprise Principles; (2) Reliability Standards Development; (3) Compliance Monitoring and Enforcement; and (4) E-ISAC. Action plans, including both current and new activities to address these areas of focus, have been developed.

The ERO Enterprise thanks the industry for their participation and the feedback provided in the survey, and looks forward to continued feedback in future surveys.

Introduction

Background

The ERO Enterprise Effectiveness Survey is issued in partnership with TalentQuest to obtain stakeholder feedback on the effectiveness of the ERO Enterprise in executing program activities. The content is developed with a working group consisting of representatives from NERC, the Regions, and industry. The latest survey, which serves as the basis for this report, was issued on July 27, 2018.

The survey was comprised of 76 rated items that addressed the following topic areas:

- Reliability Standards Development
- Compliance Monitoring and Enforcement
- Organization Registration and Certification
- Personnel Certification
- Reliability Assessment and Performance Analysis
- Training and Education
- Situation Awareness and Infrastructure Security
- Annual Business Plan and Budget Development
- Stakeholder Communications and Public Relations
- Electricity Information Sharing and Analysis Center
- International ERO
- Effectiveness and Efficiency

Respondents were asked to evaluate the survey questions in various ways; some for the ERO Enterprise collectively, some for only NERC, some for each of the Regional Entities, and some for NERC and each of the Regional Entities. Items were evaluated via a five-point, agreement-based rating scale (“Strongly Disagree” to “Strongly Agree”), with the option to select not applicable:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

Qualitative data was gathered for each topic area with the ability to leave open-ended comments for each survey question. The qualitative data was analyzed by TalentQuest and NERC to ascertain broad themes from the open-ended responses.

Chapter 1: Response Rate and Demographics

The survey was issued to a broad list of stakeholders, including NERC’s primary distribution list related to all NERC matters, primary compliance contacts, and registered users of the Electricity Information Sharing and Analysis Center (E-ISAC). Recipients had the option to respond with a single survey on behalf of multiple NERC Compliance Registry (NCR) numbers or separate surveys for each NCR number represented. If a survey recipient responded with a single survey on behalf of two NCR numbers, for example, that survey was counted twice in the results, once for each NCR represented. Additionally, multiple responses were allowed for a single NCR number. There were 509 individuals that responded on behalf of 730 NCR numbers and 67 individuals that responded with no NCR number, for a total of 576 survey respondents. Figure 1.1 identifies the number of respondents by Regional Entity.

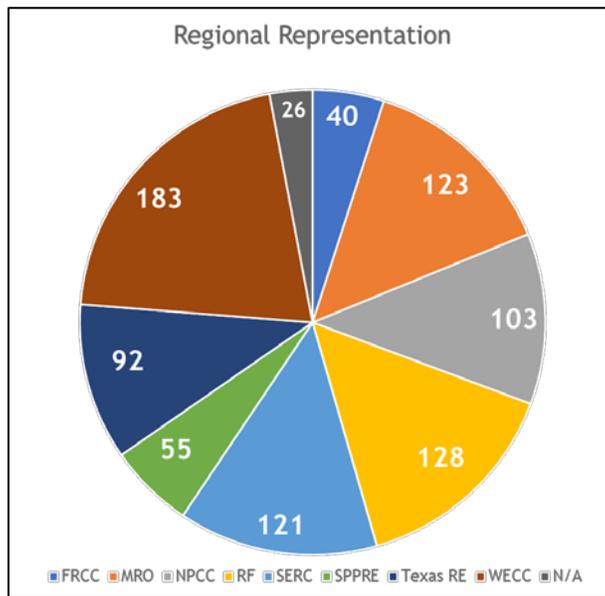


Figure 1.1: Regional Representation

For those that responded on behalf of an NCR number, TalentQuest used the NERC Compliance Registry as of August 2018 to identify the registered functions for each respondent. Figure 1.2 provides respondent demographics by registered function and Regional Entity. Figure 1.3 provides respondent demographics by entity sector in 2016 versus 2018.

	BA	DP	GO	GOP	PA/PC	RC	RP	RSG	TO	TOP	TP	TSP
FRCC	8	14	11	11	8	0	9	0	12	9	8	6
MRO	13	47	48	47	4	3	37	0	45	30	36	13
NPCC	6	14	31	30	6	5	5	3	16	11	11	8
RF	0	7	20	20	0	0	0	0	5	0	0	0
SERC	9	27	31	29	8	1	16	1	22	12	14	7
Texas RE	1	20	19	17	1	1	1	0	15	13	14	1
WECC	15	40	72	69	18	1	32	0	41	30	31	18
TOTAL	52	169	232	223	45	11	100	4	156	105	114	53

Figure 1.2: Registered Functions by Regional Entity

Appendix A: Survey Composition

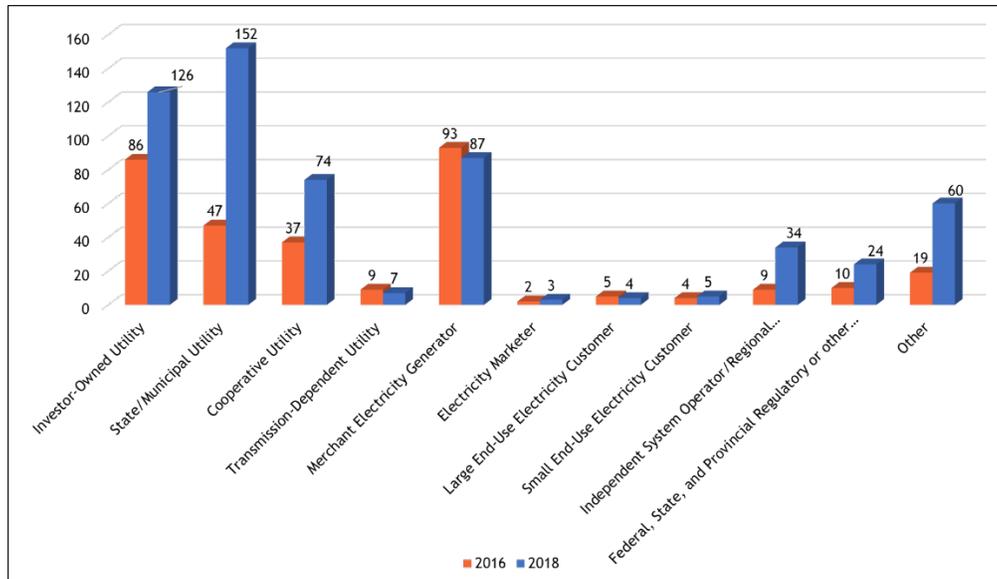


Figure 1.3 Respondents by Entity Sector in 2016 vs. 2018

Chapter 2: Summary of Survey Responses

Topic Area Analysis

The first level of analysis, shown in Figure 2.1, was conducted at the topic-area level and considered all survey responses in aggregate (NERC and Regional Entities combined). Personnel Certification was the highest-rated topic area (mean = 4.14) and Reliability Standards Development was the lowest-rated topic area (mean = 3.57).

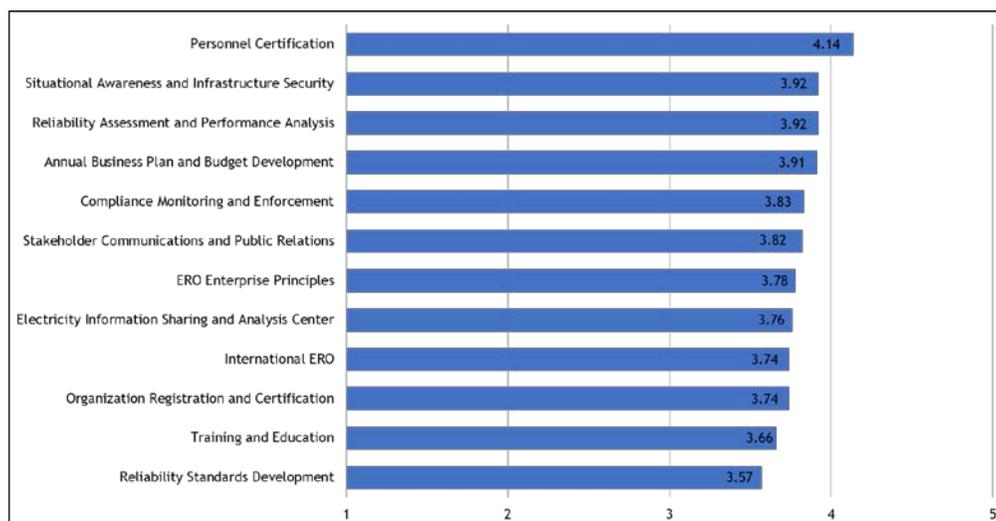


Figure 2.1: Aggregate Ratings by Topic Area

Highest and Lowest Rated Items

The survey's highest rated items ranged from 4.09 to 4.14 and were distributed across the following topic areas: (1) Personnel Certification; (2) Compliance Monitoring and Enforcement; (3) Reliability Standards Development; and (4) ERO Enterprise Principles. The lowest-rated items ranged from 3.12 to 3.41 and were distributed across the following topics areas: (1) Reliability Standards Development; (2) ERO Enterprise Principles; and (3) E-ISAC. Figure 2.2 shows the highest- and lowest-rated items overall (NERC and the Regions combined).

	TALENTQUEST	
	Item	AVG
TOP 5 RANKINGS	The personnel certification program is valuable in promoting skilled, trained, and qualified BPS operators.	4.14
	Regional Entity staff performing audits and internal controls evaluations are competent in those areas.	4.14
	The audit report from the most recent audit of the organization(s) I represent identified clear, definitive, and actionable items to address.	4.12
	The ERO Enterprise communicates information about Reliability Standards, their development, and opportunities for stakeholder participation in an efficient and effective manner.	4.10
	The ERO Enterprise has the requisite technical expertise to execute the ERO's statutory functions.	4.09
BOTTOM 5 RANKINGS	The ERO Enterprise ensures efficiencies and minimizes duplication and activities not affecting reliability outcomes.	3.41
	The E-ISAC is a primary resource for threat information and analysis.	3.39
	NERC: Reliability Standards are practical to implement.	3.27
	Regional Entity Reliability Standards address risk to reliability in a cost-effective manner.	3.25
	NERC Reliability Standards address risk to reliability in a cost-effective manner.	3.12

Figure 2.2: Highest and Lowest-Rated Items - Overall

Favorability Analysis

Favorability analysis provides an additional perspective on the strength of stakeholder perception. All responses were re-characterized as “Unfavorable” (rating of 1 or 2), “Neutral” (rating of 3), and “Favorable” (rating of 4 or 5). The analysis excluded “Not Applicable” or missing responses.

Figure 2.3 reflects the five items with the greatest percentage of favorable ratings (86–88 percent), which were from the topic areas of Reliability Standards Development, Compliance Monitoring and Enforcement, Personnel Certification, and Reliability Assessment and Performance Analysis. Conversely, Figure 2.4 reflects the five items with the greatest percentage of unfavorable ratings (14–21 percent), which were from the topic areas of Reliability Standards Development, Compliance Monitoring and Enforcement, and E-ISAC.

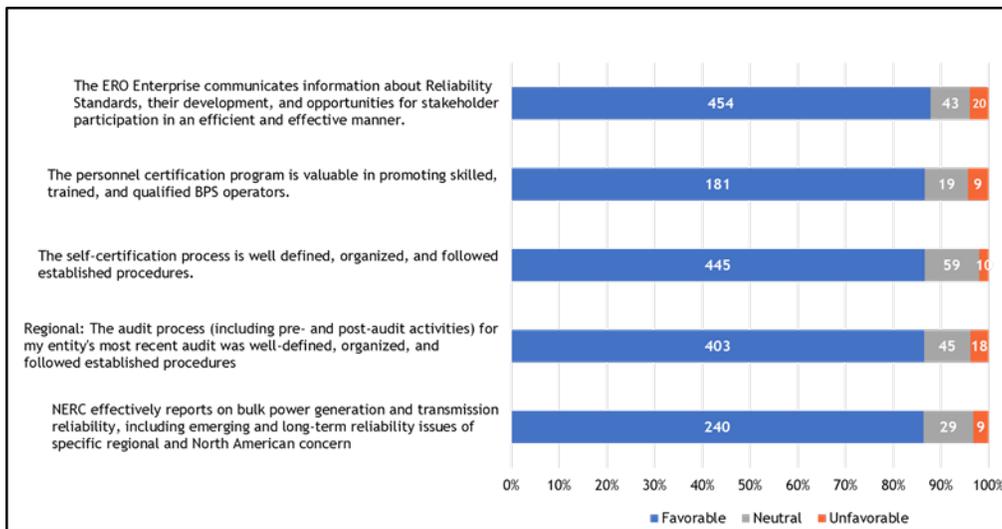


Figure 2.3: Most Favorable Items

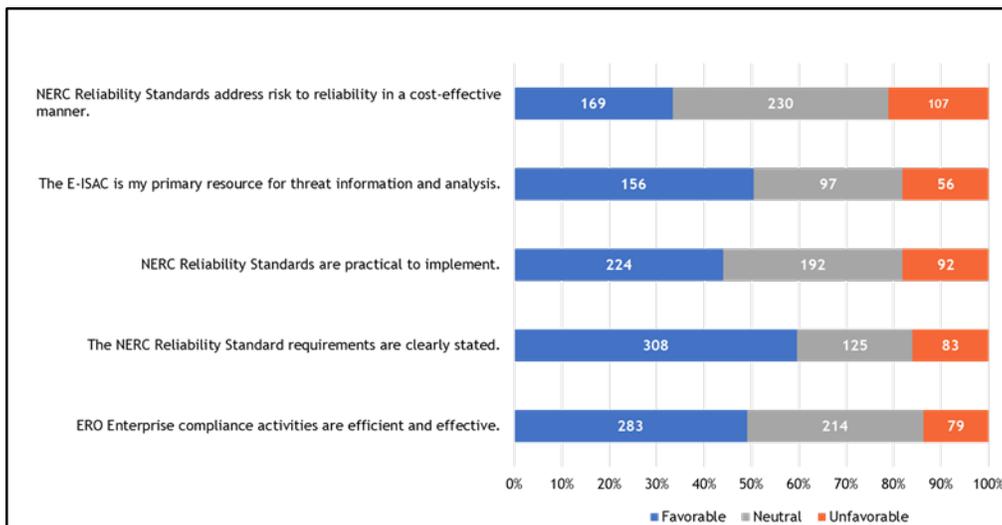


Figure 2.4: Most Unfavorable Items

Year-Over-Year Analysis

The following analysis used a subset of 58 items to evaluate a year-over-year comparison. Only those questions included in both 2016 and 2018 (or appropriately similar) were used in the year-over-year analysis. Figures 2.5 and 2.6 identify the year-over-year comparison by program area, using only those relevant questions.

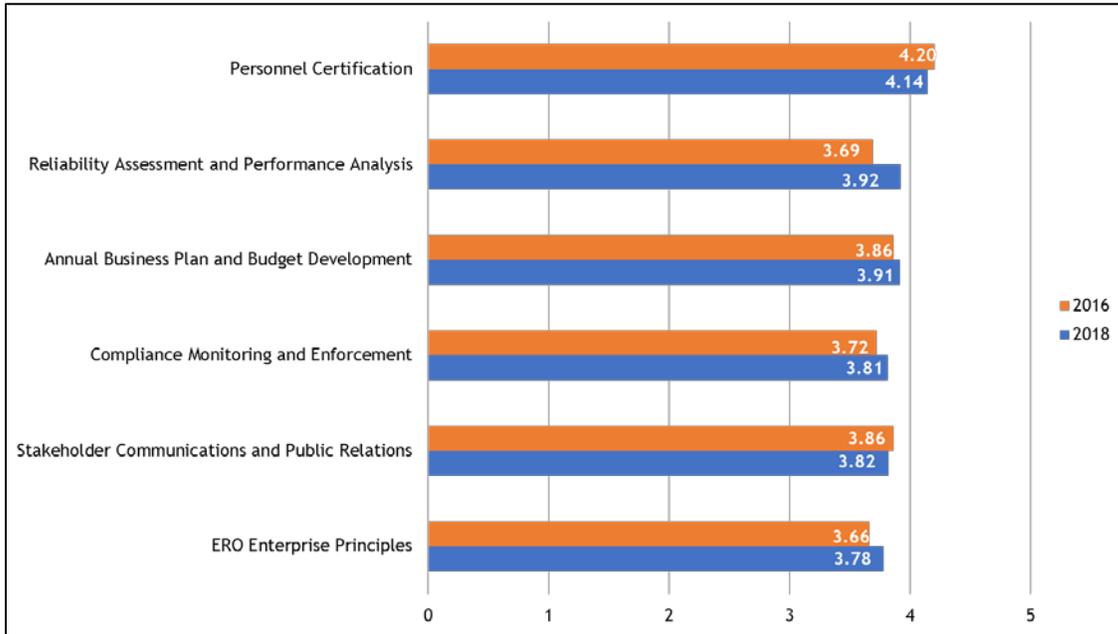


Figure 2.5: Overall Year-Over-Year Averages

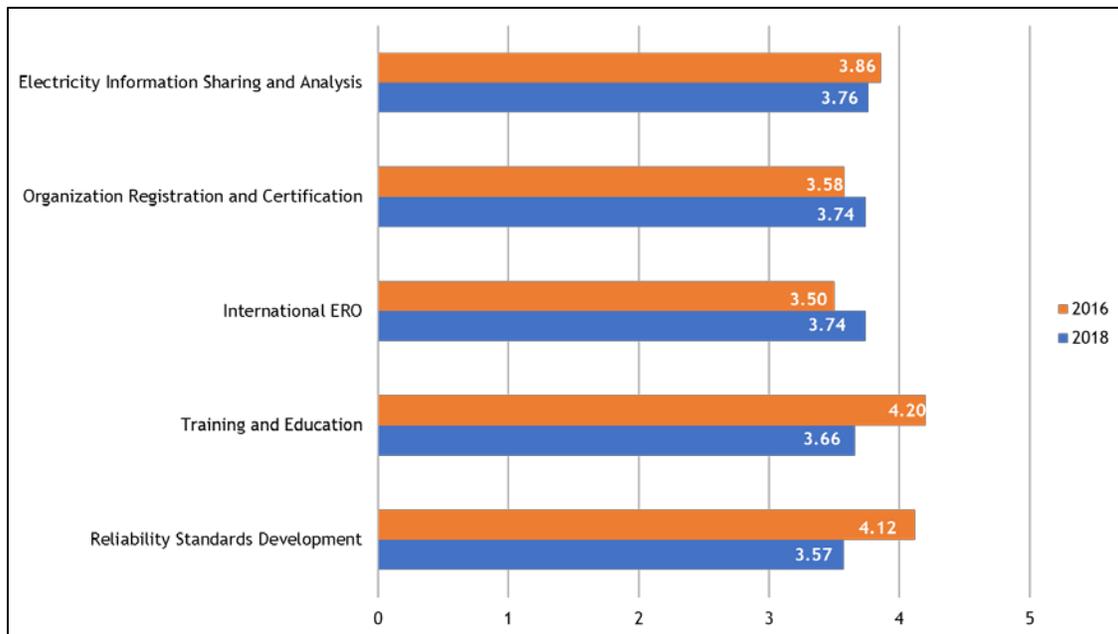


Figure 2.6: Overall Year-Over-Year Averages (Cont.)

Chapter 3: Analysis of Results

NERC analyzed the results of the survey to identify areas for focus. As part of its analysis, NERC identified the 5 lowest rated questions, 5 most unfavorable questions, and questions with higher than 6 percent unfavorable ratings but also lower than 60 percent favorable ratings, as shown in Table 1. In addition, respondents were able to leave open-ended anonymous comments for each survey question and over 5,000 comments were received. NERC shared the raw comments with NERC program areas as well as the Regional Entities, and reviewed the comments for recurring themes and additional areas of focus. This quantitative and qualitative analysis determined focus areas grouped into four broad categories noted below. Focus areas are either a low rated or unfavorable question (noted with a “Q”) or derived from an evaluation of the raw comments (noted with a “C”). Focus areas related to the E-ISAC were determined in conjunction with the Members Executive Committee (MEC).

- **ERO Enterprise Principles**
 - The ERO Enterprise ensures efficiencies and minimizes duplication and activities not affecting reliability outcomes. (Q)
 - The ERO Enterprise activities should build relationships that are founded on mutual trust. (Q)
 - Outreach and communication should be improved, especially with smaller entities and balancing between generation and transmission. (C)
- **Reliability Standards**
 - NERC and Regional Reliability Standards address risk to reliability in a cost-effective manner. (Q)
 - NERC Reliability Standard requirements are clearly stated. (Q)
 - NERC and Regional Reliability Standards are practical to implement. (Q)
- **Compliance Monitoring and Enforcement**
 - ERO Enterprise compliance activities are efficient and effective. (Q)
 - The process for developing and submitting Implementation Guidance for ERO endorsement is well-defined and understood. (Q)
 - Continue maturing risk-based CMEP and focus on increasing education and messaging on the history of the program’s development and current activities. Consider reviewing foundational documents to ensure they support the current direction of the program. (C)
 - Explore ways to dispose of minimal risk violations more efficiently. (C)
 - Increase the level of education to registered entities on Reliability Standards. Consider more targeted plans around educating on CMEP activities for standards, internally as well as externally (consider for more than standards). (C)
- **E-ISAC**
 - The E-ISAC is a resource for threat information and analysis. (Q)
 - The E-ISAC shares information on threats and incidents (e.g., bulletins, assessments, weekly/monthly reports, etc.) that is actionable. (Q)
 - My organization trusts the E-ISAC to safeguard information. (Q)
 - The new E-ISAC portal (launched in December 2017) is a useful resource. (Q)
 - Conduct separate, E-ISAC member-only surveys in the off-years of the ERO Enterprise Effectiveness Survey. (C)

Table 1: Areas for Focus from Data Analysis

Topic Area	Survey Question	Five Lowest Rated ¹	Five Most Unfavorable ²	Additional Favorability Analysis ³	Average Rating (1-5)	Unfavorable Percentage	Favorable Percentage
ERO Enterprise Principles	The ERO Enterprise ensures efficiencies and minimizes duplication and activities not affecting reliability outcomes. <i>[ERO Enterprise]</i>	X			3.41	8.91%	
Reliability Standards Development	Reliability Standards address risk to reliability in a cost-effective manner. <i>[NERC]</i>	X	X	X	3.12	21.15%	33.40%
Reliability Standards Development	Reliability Standards address risk to reliability in a cost-effective manner. <i>[Regional Entities]</i>	X		X	3.25	13.32%	37.59%
Reliability Standards Development	The Reliability Standard requirements are clearly stated. <i>[NERC]</i>		X	X	3.49	16.09%	59.69%
Reliability Standards Development	Reliability Standards are practical to implement. <i>[NERC]</i>	X	X	X	3.27	18.11%	44.09%
Reliability Standards Development	Reliability Standards are practical to implement. <i>[Regional Entities]</i>			X	3.44	8.77%	50.09%
Compliance Monitoring and Enforcement	ERO Enterprise compliance activities are efficient and effective. <i>[ERO Enterprise]</i>		X	X	3.41	13.72%	49.13%
Compliance Monitoring and Enforcement	The process for developing and submitting Implementation Guidance for ERO endorsement is well-defined and understood. <i>[ERO Enterprise]</i>			X	3.45	9.63%	51.83%
Electricity Information Sharing and Analysis Center	The E-ISAC is my primary resource for threat information and analysis. <i>[NERC]</i>	X	X	X	3.39	18.12%	50.49%

¹ Survey questions were rated on a scale of 1 (strongly disagree) through 5 (strongly agree). This column shows the five survey questions that were rated the lowest overall.

² The favorability analysis presents the number of times an item was rated on the 5-point scale as compared to the number of responses to each question, where a 1 or 2 rating is unfavorable, a 3 rating is neutral, and a 4 or 5 rating is favorable. This column shows the five survey questions that showed the highest unfavorable percentages (i.e., receiving a 1 or 2 rating).

³ This analysis includes questions with higher than 6% unfavorable ratings but also lower than 60% unfavorable ratings.

Chapter 4: Current Activities and Action Plans

The narrative below summarizes the activities either underway or planned that will address the areas of focus identified in the previous chapter.

ERO Enterprise Principles

Based on the comments and scorings from the 2018 ERO Enterprise Effectiveness survey results, three high-level, ERO Enterprise-wide areas were identified:

1. The ERO Enterprise ensures efficiencies and minimizes duplication and activities not affecting reliability outcomes.
2. The ERO Enterprise activities should build relationships that are founded on mutual trust.
3. Outreach and communication should be improved, especially with smaller entities and balancing between generation and transmission.

The action plans below, some of which are underway, support NERC's continued efforts to improve effectiveness and efficiency.

1. **The ERO Enterprise ensures efficiencies and minimizes duplication and activities not affecting reliability outcomes.** As part of the ERO Enterprise's ongoing operations, processes and procedures are continually evaluated to ensure that they are efficient. Meetings of the ERO Enterprise staff focus on sharing best practices, eliminating duplication, and identifying potential areas for leverage resources. Two areas will be focused upon in the coming years:
 - a. **Increase communications with industry on ongoing activities ensuring efficiencies and minimizing duplication:** As mentioned above, the ERO Enterprise continually works towards improving efficiencies and reducing duplication. For example, the ALIGN tool will not only reduce inconsistencies, but eliminate the need for regional customization avoiding duplication and improving efficiencies. This is also true for the availability data systems (ADS). Separately, reports and assessments have been streamlined. For example, the Reliability Issues Steering Committee has transitioned to a biennial rather than annual report. The LTRA has been reduced in volume and structure, while other assessments and reports, like the supply chain report, involve outreach to industry stakeholders. NERC is now evaluating its stakeholder engagement and reviewing opportunities to eliminate duplications, and more effectively engage industry leadership and subject matter experts. Further, NERC is evaluating whether regional workshops provide enough coverage so that NERC can eliminate nation-wide workshops such as the Standards and Compliance workshop.
 - b. **Leverage NERC and Regional Entity staff expertise:** Rather than each organization garnering the same expertise, resource and expertise sharing can enable best practices, reduce duplication, and provide an avenue for knowledge sharing and innovation. Namely, deploy centers of excellence around certain practice areas. The ERO Enterprise will pilot this concept initially with the analytical staff (Analytical Center of Excellence or ACE). If meaningful results are realized, additional areas will be explored.
2. **The ERO Enterprise activities should build relationships that are founded on mutual trust.** The ERO Enterprise, in its compliance and enforcement role, has built approaches that focus on efficiency while still maintaining oversight rigor. Much of what the ERO Enterprise does is transparent, and requires mutual trust between the ERO and our stakeholders. For example, the ERO has implemented a standard violation self-reporting program and voluntary information provided by industry on events to enable learning across the industry. These efforts do not reduce the ERO Enterprise regulatory role, but rather strengthen it as a partner sharing in the overall success of assuring the reliability of the bulk electric system. That said, more can be done:

- a. **Compliance Monitoring Action Plan:** NERC and the Regional Entities are concentrating on the following critical areas: (a) efficiency in data gathering and analysis tools, (b) implementation of risk-based compliance monitoring, and (c) outreach and education.
 - b. **Enforcement Action Plan:** Further streamlining of minimal risk noncompliance to address registered entities reported concerns about delays in the following areas: 1) initial review of the noncompliance after it has been reported to the Regional Entity; and 2) acceptance and verification of mitigation.
3. **Outreach and communication should be improved, especially with smaller entities and balancing between generation and transmission.** The ERO Enterprise has a number of ongoing efforts to reach out to smaller entities, especially relating to compliance with Reliability Standards. This takes the form of assist visits, webinars, Standards and Compliance workshops, and one-on-one meetings (called small group advisory meetings) hosted at the ERO Enterprise facilities. Recent focus has been on the Critical Infrastructure Protection Standards. The ERO Enterprise will continue and improve upon its outreach:
- a. **Continue small entity outreach:** This effort is ongoing and provides a foundation to support medium and small entities an opportunity to understand the extent that the Reliability Standards pertain to their organizations and provides resources for them on compliance approaches.
 - b. **Work with the Trade organizations to develop more targeted outreach programs:** The ERO Enterprise works with the Trade organizations on an ongoing basis on multiple activities. We will seek to engage a broader trade footprint, and will add a focused activity to provide increased outreach and communications tailored for medium and small entities. Discussions with the trade organizations and stakeholder groups will continue to seek new forums to provide information related to the ERO Enterprise.

Reliability Standards Development

Based on the comments and scorings from the 2018 ERO Enterprise Effectiveness survey results, three areas related to Reliability Standards were identified:

1. NERC and Regional Reliability Standards address risk to reliability in a cost-effective manner.
2. NERC Reliability Standard requirements are clearly stated.
3. NERC and Regional Reliability Standards are practical to implement.

The action plans below, some of which are underway, support NERC's continued efforts to address concerns in these areas.

1. **NERC and Regional Reliability Standards address risk to reliability in a cost-effective manner.** NERC staff and the Standards Committee (SC) have remained committed to developing ideas and approaches to consider cost effectiveness of Reliability Standards. The following activities address cost effectiveness surrounding the development of Reliability Standards:
 - a. The periodic review process directly solicits an evaluation of the implementation costs. Industry feedback on implementation cost effectiveness is currently included in the final periodic review assessment.
 - b. Criteria measuring actual industry experience in the cost effectiveness of implementing approved standards as part of assessing requirement-level quality of each Reliability Standard (i.e., the grading metric).
 - c. Standard drafting teams include questions about cost effectiveness considerations during public comment periods to provide this perspective as part of drafting team assessment of the standard.

- d. NERC will engage the SC to evaluate ways to incorporate into the periodic review template or team analysis cost effectiveness measures to comprehensively consider compliance and enforcement cost-impacts (including audits).
 - e. NERC staff directly addresses cost effectiveness information when Reliability Standards are brought to the Board of Trustees for approval, by adding a section to the standard description, similar to the section on unresolved minority opinions. Additionally, NERC staff presents this information as part of the public description on the project website.
 - f. NERC will continue the Standards Efficiency Review, which is evaluating NERC Reliability Standards using a risk-based approach to identify potential efficiencies through retirement or modification of Reliability Standard Requirements. Considering that many Reliability Standards have been mandatory and enforceable for 10+ years in North America, this project seeks to identify potential candidate requirements that are not essential for reliability, could be simplified or consolidated, and could thereby reduce regulatory obligations and/or compliance burden.
2. **NERC Reliability Standard requirements are clearly stated.** To improve the noted concerns in clarity of Reliability Standard requirements, NERC is focusing on the following critical areas:
- a. **Periodic Reviews:** The NERC Standard Processes Manual requires a periodic review of NERC Reliability Standards at least once every ten years. That requirement is met through the Periodic Review (PR) process, which provide a wide view of the standards to determine whether a particular group of standards is effective in mitigating risk to the bulk power system. Additionally, the PR comprehensively reviews standards to evaluate whether the requirements are clear and unambiguous.
 - b. **Reliability Standard Metric:** The NERC Board of Trustees expressed interest in NERC developing a metric to evaluate the content and quality of NERC Reliability Standards. In 2016, NERC implemented a standards grading metric to grade all standards eligible for a PR, which includes all standards in effect in the United States (compliance enforcement date) for at least one year. The PR standing review team grades the standards using a grading template. Standards grades are harmonized in public meetings with the initial PR standing review team grades posted for stakeholder comment. After consideration of comments, the PR standing review team finalizes the grades and provides the results to the PR teams and the results are published annually in the Reliability Standard Development Plan (RSDP) for informational purposes.
3. **NERC and Regional Reliability Standards are practical to implement.** The ERO Enterprise has a number of ongoing efforts to assist entities in implementing Reliability Standards. This takes the form of assist visits, webinars, and Standards and Compliance workshops. The ERO Enterprise will:
- a. **Continue outreach:** This effort is ongoing and provides an opportunity for all entities to understand the extent that the Reliability Standards pertain to their organizations and provides resources for them on compliance approaches.
 - b. **Continue training webinars:** The NERC Standards department has a goal to produce a training webinar for each new Reliability Standard within 90 days of FERC approval.
 - c. **Continue periodic reviews:** The periodic review process directly solicits an evaluation of the implementation costs. Industry feedback on implementation cost effectiveness is currently included in the final periodic review assessment. That information is provided to standard drafting teams to consider in future modifications of standards.

Compliance Monitoring and Enforcement

Based on the comments and scorings from the 2018 ERO Enterprise Effectiveness survey results, five areas related to Compliance Monitoring and Enforcement were identified:

1. ERO Enterprise compliance activities are efficient and effective.
2. The process for developing and submitting Implementation Guidance for ERO endorsement is well-defined and understood.
3. Continue maturing risk-based CMEP and focus on increasing education and messaging on the history of the program’s development and current activities. Consider reviewing foundational documents to ensure they support the current direction of the program.
4. Explore ways to dispose of minimal risk violations more efficiently.
5. Increase the level of education to registered entities on Reliability Standards. Consider more targeted plans around educating on CMEP activities for standards, internally as well as externally (consider for more than standards).

The following action plans identify the actions that NERC has taken, or will take, to improve effectiveness, transparency, and efficiency.

Compliance Monitoring

To improve effectiveness and efficiency in compliance monitoring, NERC and the Regional Entities are concentrating on the following critical areas: (a) Efficiency in data gathering, workflow, and analysis tools, (b) Implementation of risk-based compliance monitoring, and (c) Outreach and education.

- a. *Efficiency in data gathering, workflow, and analysis tools:* The ERO Enterprise is deploying the Align tool (formerly the CMEP Technology Project) in order to provide a common database and tool for use during Compliance Monitoring and Enforcement Program (CMEP) activities. The Align tool development resulted in harmonization of several CMEP-related business practices, improving the efficiency and effectiveness of CMEP processes, and it increases consistency. The ERO Enterprise also continues to evolve the CIP Evidence Request tool, which is a common request for information that each Region can use to be more consistent and transparent in its CIP audit approach.

Timeline	Actions
Q3 2019 – Q4 2020	Align tool rollout (three releases covering different components of the CMEP)
Q3-Q4 2019	CIP Evidence Tool Version 3 release

- b. *Implementation of risk-based compliance monitoring:* To improve risk-based compliance monitoring consistency and effectiveness, NERC and the REs continue to work on evolving and aligning registered entity Compliance Oversight Plan (COP) summaries and the CMEP Implementation Plan (IP). The COP provides registered entities with an understanding of the entity-specific risks identified by the ERO Enterprise, the prioritization of those risks, and the expected interval of engagements and monitoring tools (e.g. audit, spot check, self-certification, etc.). The risk elements and areas of focus in the CMEP IP highlight specific risks for increased focus by the ERO Enterprise under the CMEP. Enhanced for 2019 to provide more discreet risk elements and areas of focus, the ERO Enterprise is working to make the 2020 CMEP IP even more focused. The ERO Enterprise will also review and update its rules and guides as needed in support of the above.

Timeline	Actions
Ongoing	Review and update rules and guides as needed

September – November 2019	Release of the 2020 CMEP IP (including streamlined risk elements and areas of focus)
Q3-Q4 2019	Finish COP evolution work and start sharing COP summaries with registered entities

c. *Outreach and education:* To provide consistency and transparency, the ERO Enterprise will provide outreach on several topics in 2019 to promote awareness and a common understanding of how the ERO Enterprise operates and interacts with registered entities through its risk-based CMEP.

- NERC provided outreach to the Compliance and Certification Committee (CCC) on NERC oversight of the risk-based CMEP and NERC’s oversight of RE’s implementation.
- NERC will conduct outreach on the Implementation Guidance process, highlighting how it is developed and submitted to the ERO Enterprise for endorsement. NERC is developing a webinar and presenting during workshops in 2019.
- The ERO Enterprise will continue to offer Supply Chain small group advisory sessions (SGAS).
- NERC and the CCC Alignment Working Group (AWG) will continue outreach and awareness on the ERO Enterprise Program Alignment Process (Program Alignment).

Timeline	Actions
March 2019	Presentation to CCC on NERC oversight of the CMEP
Q2-Q3 2019	Outreach on Implementation Guidance
July 2019	2019 Compliance and Standards workshop
October 2019	Small Group Advisory Sessions – Supply Chain Standards

Enforcement

To improve effectiveness and efficiency in Enforcement, NERC and the Regional Entities are concentrating on further streamlining of minimal risk noncompliance.

- a. *Further streamlining of minimal risk noncompliance:* Since 2011, through the Find, Fix, Track, and Report and Compliance Exception programs, the ERO Enterprise has implemented multiple enhancements to risk-based enforcement to expedite the resolution of minimal risk noncompliance. Despite these enhancements, however, many registered entities continue to report that it takes too long to resolve minimal risk noncompliance. Registered entities report undue delays in: 1) the initial review of the noncompliance after it has been reported to the Regional Entity; and 2) the acceptance and verification of mitigation.

The ERO Enterprise Enforcement Group’s (EG) primary project in 2019 is to identify program enhancements to further streamline the resolution of minimal risk noncompliance. The EG will evaluate the following program elements for potential modification: 1) the registered entity’s reporting of noncompliance, including through the Self-Logging Program; 2) the Regional Entity’s review of noncompliance, including what information is necessary to support a minimal risk determination; and 3) the disposition of noncompliance as Compliance Exceptions.

The ERO Enterprise has already begun to implement enhancements to mitigation to reduce administrative burdens for registered entities. Expanded use of mitigation activities, instead of formal Mitigation Plans, allows registered entities to submit information regarding planned or completed mitigation actions through Self-Reports or Self-Logs. Mitigation activities will be the default method for submitting mitigation information in Align when it is released for use later in 2019. The ERO Enterprise has also established a guideline for sampling of verification of mitigation completion for minimal risk noncompliance. With sampling, the registered entity would only be required to submit evidence of mitigation completion if the minimal risk noncompliance were selected as part of a sampling program. This reduces the burden on registered entities of having to submit evidence of mitigation completion for all noncompliance.

Timeline	Actions
Completed	Implementation of Guideline for Sampling Verification of Mitigation Completion
Q2 to Q3 2019	Review of Regional Entities' processes for evaluating noncompliance and identification of potential enhancements, including to the Self-Logging Program
Q3 2019	Release of Align
Q4 2019	Identification of necessary program modifications to enable further streamlining of minimal risk noncompliance
Q1 2020	Seek approvals, as needed, for program modifications
Q1 to Q2 2020	Implement program modifications

E-ISAC

Based on the comments and scorings from the 2018 ERO Enterprise Effectiveness survey results, the MEC identified five high-level, areas for focus:

1. The E-ISAC is a resource for threat information and analysis.
2. The E-ISAC shares information on threats and incidents (e.g., bulletins, assessments, weekly/monthly reports, etc.) that is actionable.
3. My organization trusts the E-ISAC to safeguard information.
4. The new E-ISAC portal (launched in December 2017) is a useful resource.
5. Conduct separate, E-ISAC member-only surveys in the off-years of the ERO Enterprise Effectiveness Survey.

The following is a summary of the recommendations to address the areas of focus:

1. **Significant but not only resource to industry:** The E-ISAC should be a significant but not the only resource to industry for threat information and analysis.
2. **Provide more actionable information:** The E-ISAC should continue to focus on providing actionable information, recognizing that different organizations require different degrees of details or assistance and many organizations will have standard operating procedures in place or their own ways of addressing an issue.

3. **Determine ways in which we can improve trust:** Continue external messaging regarding relationships between the E-ISAC, FERC, and NERC and applicable controls around information sharing for compliance and enforcement of NERC standards.
4. **Portal:** The E-ISAC has made significant improvements to the Portal since the time of the survey; E-ISAC management should continue to implement improvements to Portal functionality taking into account user feedback and incorporate the technology road map, which is subject to ongoing review with the MEC Working Group and incorporated in the NERC board approved annual E-ISAC budget.
5. **Future surveys:** The E-ISAC should conduct separate, E-ISAC member-only surveys in the off-years of the ERO Enterprise Effectiveness Survey. For the ERO Enterprise Effectiveness Survey, NERC should include some high-level questions, but save the detailed questions for the following year survey of its members.

Chapter 5: Conclusion

A total of 576 responses were received in response to the 2018 ERO Enterprise Effectiveness Survey, with rated items ranging from 3.12 to 4.14. Industry's relative perceptions of program strengths and opportunity areas were delineated through quantitative and qualitative analysis.

When evaluating both the ratings and favorability of each question, the highest scoring questions were within the following broad topic areas:

- Personnel Certification
- Situational Awareness and Infrastructure Security
- Reliability Assessment and Performance Analysis
- Annual Business Plan and Budget Development
- Compliance Monitoring and Enforcement
- ERO Enterprise Technical Expertise
- Reliability Standards (communication)

One of the questions provided in the survey was an open-ended question that solicited the respondents' three most important recommendations for NERC or the ERO Enterprise. The primary themes of those responses coincide with the three primary focus areas for NERC in its current effectiveness and efficiency goals:

- Standards Efficiency Review
- Compliance Monitoring and Enforcement Program tool (Align)
- Stakeholder Engagement

These three areas are the most immediate focus areas for this effectiveness and efficiency initiative and are all underway. In the work related to each of these priorities, a significant number of stakeholder survey comments will be addressed related to standards, consistency, stakeholder interactions, and other areas.

NERC also identified several areas for focus based on the following: (1) the five lowest rated items; (2) the five most unfavorable items; and (3) the items with higher than 6% unfavorable ratings but also lower than 60% favorable ratings. Four action plans were developed related to the areas of focus within ERO Enterprise principles, Reliability Standards development, compliance monitoring and enforcement, and E-ISAC. Each action plan summarizes activities currently underway or to be taken to address the areas of focus.

In addition to this report summarizing the results and action plans, a supplemental report provides the following additional information:

- List of all questions rated in the survey, identifying the applicable entity for each question and which questions were used in the year-over-year analyses;
- Favorability analysis for each survey question; and
- Year-over-year analysis for each relevant question.