The ERO Enterprise

# CMEP Technology Project

What is it?

As the ERO Enterprise matured to a risk-based approach in its regulatory posture, a more comprehensive system to manage and analyze compliance monitoring and enforcement information became necessary. The CMEP Technology Project began in 2014 to meet that need with the goal of improving and standardizing processes in the Compliance Monitoring and Enforcement Program (CMEP) across the ERO Enterprise. The new project will align the business processes of NERC and the Regional Entities on a single platform; improve documentation, sharing and analysis of compliance work activities; and make CMEP activities more effective and efficient across the ERO Enterprise; thus enhancing the reliability and security of the grid.

Why are we doing it?

The CMEP Technology Project is designed to promote greater efficiencies in compliance monitoring and enforcement work, better using ERO Enterprise resources and lowering costs, while offering alignment on a single platform across the Enterprise based on a commercial product designed specifically for managing risk and verifying compliance.

NERC and the Regional Entities evaluated the benefits of unifying processes and systems to ensure consistency in monitoring compliance with NERC Reliability Standards and judged this effort as a necessary step in the evolution of the ERO model. The NERC Board of Trustees approved the project at their quarterly meeting on November 9, 2017. Benefits include:

- **Consistency.** Moving to a common platform with a single common way for registered entities to interact with the ERO Enterprise on compliance and enforcement will aid significantly in addressing potential gaps in consistency.

- **Cost Management.** By moving to a common platform, economies of scale can significantly reduce annual expenses incurred for procurement of tools and services that support implementation of the CMEP across the ERO Enterprise.

- **Productivity.** Because of the large number of staff both within the ERO Enterprise and at registered entities that are working to ensure reliability through verification of compliance with the Reliability Standards, there is a significant potential for improvements in productivity to provide great benefits to a large population of users. These increases in productivity (estimated at more than *15,000 person-hours per year* across the ERO Enterprise following full implementation and adoption) will allow staff to spend less time documenting compliance and more time ensuring reliability.

8-Year Average Annual Operating Costs

$1,000,000	
$800,000	
$600,000	
$400,000	
$200,000	
$0	Current Bus. Case Estimate Current Estimate

- **Effectiveness.** In addition to the benefits provided by implementing consistent processes across the ERO Enterprise, moving to a product specifically designed to support management of risk and verifying compliance will help ensure focus is kept on those things that matter most to reliability. Fine tuning of our processes to align more closely with industry standard best practices and guidelines will also improve the quality of our work.
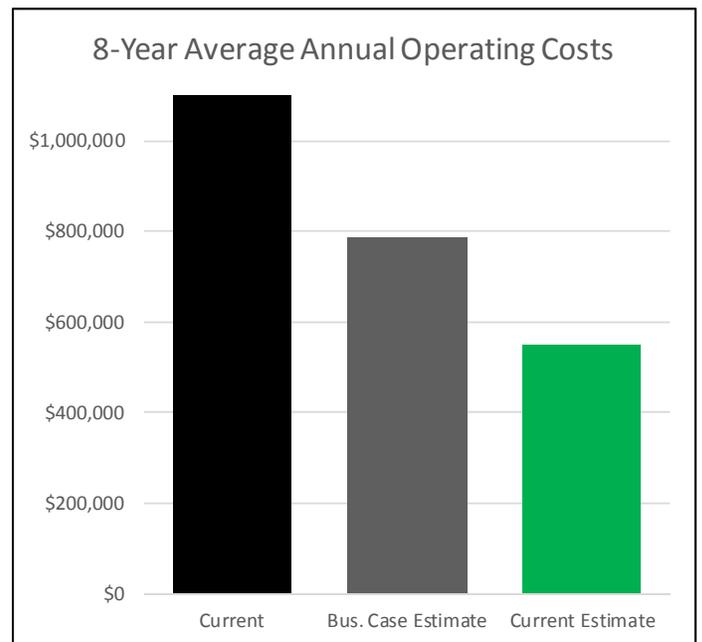
How are we doing it?

In the past several years, a number of companies have developed sets of tools to support the three areas of Governance, Risk, and Compliance (GRC). These tools align well with our mission as the ERO Enterprise: assisting in ensuring information can be shared across a large and geographically dispersed leadership team, supporting the analysis and management of risks and threats, and having robust mechanisms for documenting and tracking compliance with both regulations and internal policies and procedures.
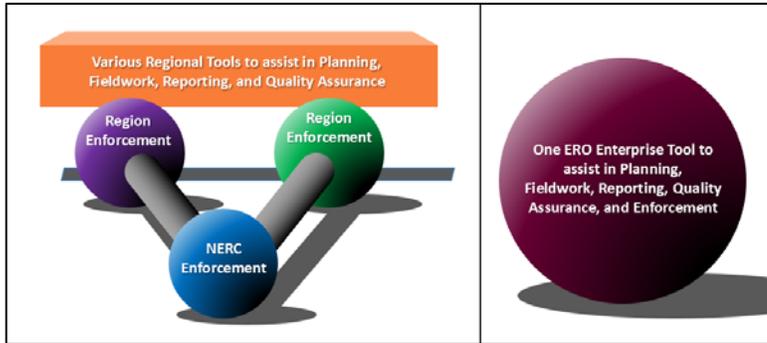

While the various products, tools, templates and file transfers in use today across the ERO Enterprise have been effective for ensuring reliability and verifying compliance, the amount of manual work that is required to maintain and share the information contained within them is intensive. The time is appropriate to bring everything together within a single suite of tools. To help ensure that the organizational change required is scoped to a manageable size, NERC and the Regions are planning the implementation as a set of three defined functional releases.

When is this happening?

Work has already begun on implementing this vision. Initial feasibility workshops were conducted with NERC and Regional Entity leaders in 2014 and 2015, leading to the development of a long-term roadmap and a Request for Information to vendors, which led to a Request for Proposal and selection of a vendor earlier this year in 2018.

Work in progress includes several cycles of process harmonization intended to ensure alignment between NERC and each of the Regional Entities prior to implementation. While consistency between Regions is a core element of this effort, the accommodation of appropriate regional differences is intended to be addressed within the tool as well. As processes are aligned and confirmed, elements of those processes will be built and tested within the tool, leading to structured releases of functionality.
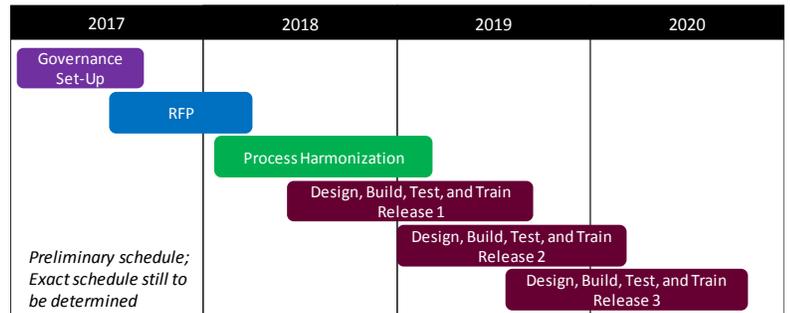
Additional development to centralize the management and administration of information related to NERC Reliability Standards and registered entities will be undertaken. Integration to transfer data will also be developed. Information security will be a key design consideration for both systems, which will provide high levels of confidentiality and access control.

Who is working on this?

NERC and the Regional Entities began this effort by evaluating consultants with experience implementing GRC systems. Deloitte, identified by Gartner as a "visionary leader" in Risk Management Consulting Services, was selected to assist the ERO Enterprise with this effort. Deloitte has extensive knowledge of the electric utility industry and the ERO through prior projects and engagements. Next, NERC and the Regions developed and issued an RFP that resulted in the review of a number of potential tools to determine both their organizational and technical capabilities to meet the unique needs of the ERO Enterprise. Nasdaq BWise was selected as the vendor and tool of choice for the CMEP Technology Project.

How can I get involved?

The project team is working with the Compliance and Certification Committee and their Alignment Working Group to ensure the perspectives of registered entities are considered. In addition to reaching out to the members of the CCC, feel free to contact anyone with the ERO Enterprise with questions, concerns, or suggestions.

For more information, go to https://www.nerc.com/ResourceCenter/Pages/CMEPTechnologyProject.aspx