Introduction and Chair’s Remarks

WECC Welcome

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. Administrative – Secretary and Patti Metro
   a. Compliance and Certification Committee (CCC) Roster

2. Committee Business
   a. Consent Agenda – (Review) – (Patti Metro)
      i. Meeting Agenda – (Approve)
      ii. CCC March 2017 Meeting Minutes – (Approve)

3. Review of CCC Action Items and Work Plan Status* – (Inform) – (Jennifer Flandermeyer)

4. NERC Board Enterprise-wide Risk Committee Report – (Update) – (Patti Metro)

5. NERC Board of Trustees and Members Representative Committee (MRC) Update, May 2017 Meetings* – (Inform) – (Jennifer Flandermeyer)

6. Subcommittee – (Updates)
   a. Nominating Subcommittee – (Helen Nalley)
   b. ERO Monitoring Subcommittee (EROMS) – (Tom Abrams)
      i. Draft CCC Procedure for CCC observation of NERC Regional Entity audits under NERC Rules of Procedure, Appendix 4A
   c. Compliance Processes and Procedures Subcommittee (CPPS) – (Matt Goldberg)
      i. Updates to CCC Procedures on hearing, mediation, and confidentiality*
   d. Organization Registration and Certification Subcommittee (ORCS) – (Keith Comeaux)
i. Update on joint meeting between ORCS and the NERC Organization Registration and Certification Group

7. CCC Complaint Form* – (Discuss) – (Patti Metro and Teresina Stasko)


9. Updates to the ERO Enterprise Guide for Internal Controls* – (Discuss) – (Jennifer Flandermeyer/Kevin Conway/Terry Bilke/Greg Campoli/John Rhea)

10. NERC and CCC Consistency Efforts
   a. Status update on activities – (Discuss) – (Patti Metro and Ken McIntyre)
   b. Proposed CCC Consistency Working Group (CWG) scope document* – (Approve) – (Patti Metro)
   c. Appoint CWG members – (Discuss) – (Patti Metro)

11. ERO Enterprise Development of the CMEP Tool* – (Inform) – (Ken McIntyre)

12. NERC Compliance Monitoring Update* – (Inform) – (Kiel Lyons)

13. NERC Enforcement Update – (Inform) – (Ed Kichline and Teri Stasko)

14. Member Roundtable – (Discuss) – (Patti Metro)

15. Review of Action Items – (Review) – (Jennifer Flandermeyer)

16. Future Meeting Dates – (Inform)
   a. September 13-14, 2017: Atlanta, GA (NERC offices)
   b. November 29-30, 2017: West Palm Beach, FL (FPL offices)
   c. Confirmed 2018 Dates
      i. March 13-14, 2018 (TBD)
      ii. June 12-13, 2018: Atlanta, GA (NERC offices)
      iii. September 18-19, 2018: Austin, Texas (Texas RE offices)
      iv. December 4-5, 2018: Atlanta, GA (NERC offices)

17. Adjourn

*Background materials included.
Antitrust Compliance Guidelines

I. General
It is NERC’s policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC’s compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC’s antitrust compliance policy is implicated in any situation should consult NERC’s General Counsel immediately.

II. Prohibited Activities
Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants’ expectations as to their future prices or internal costs.
- Discussions of a participant’s marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
• Any other matters that do not clearly fall within these guidelines should be reviewed with NERC’s General Counsel before being discussed.

III. Activities That Are Permitted
From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC’s Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

• Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.

• Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.

• Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.
<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Responsible Parties</th>
<th>Due Date</th>
<th>Status</th>
<th>Comments and Next Steps</th>
</tr>
</thead>
</table>
| 1  | Sep-14  | Data Retention Project:  
- CPPS will communicate with the Standards Committee to provide information on the results and recommendations. CPPS will report on the status at the December meeting.  
- Adina Mineo will communicate all recommendations to appropriate parties | CCC / SC  | May-17 | Open  
Send the Data Retention Item to full CCC for review to affirm document is still reflective of the requested action from the SC. Once that is completed, someone from the CCC will participate in the SC call or meeting to present the issue for closure. The Compliance Assurance aspect of this action item is closed. Documents that were transmitted to the SC were given to the CCC to validate still applicable. Presentation to SC will occur with CCC representative to discuss with SC for consideration. |
| 4  | Mar-17  | Follow up with Regional Entities on RE Stakeholder Groups (Group #18) to clarify who is represented in that group in the Compliance Guidance Policy. | NERC     | May-17 | Open  |
| 5  | Mar-17  | Small group to suggest path and language to capture of principles related to Internal Controls related to the ERO Practice Guide on Internal Controls. | Terry Bilke | May-17 | Open  |
Report of May 2017
Member Representatives Committee (MRC) and Board of Trustee (BOT) Meetings

Information
For informational purposes only

Background
These notes are provided by Compliance and Certification Committee (CCC) attendees at the meetings. The notes are not provided to accurately represent all agenda topics in full.

The North American Electric Reliability Corporation (NERC) Members Representative Committee (MRC) and Board of Trustees (BOT) convened their quarterly meetings on May 10-11, 2017.

Board of Trustees Compliance Committee (BOTCC) Meeting Summary:

The following notes represent some of the significant highlights from the meetings. The Agenda package and associated presentation materials are posted here:


- Report on Consistency Efforts:
  - Chair discussed Consistency Focus: The committee continues to meet with Regional Entity executives on the topic. In addition, the CCC is collaborating in the effort. All stakeholders expressed positive comments about the direction of the consistency efforts.
  - The Chair acknowledged consistency issues with more specific information that can be validated and suggested that the work in progress on consistency was extremely important to remedy some process issues.
The Chair reinforced the satisfaction with the direction and informed everyone that the results as well as output will be the majority of the discussion for the August BOTCC meetings.

- BOTCC was provided an Enforcement update (see presentation materials)
- BOTCC was provided with Compliance updates (see presentation materials)

Member Representatives Committee Meeting Summary:

The following notes represent some of the significant highlights from the meetings. The Agenda package and associated presentation materials are posted here:


- Policy Input
  - The BOT requested additional information on the two policy input items at the MRC meeting: (1) special reliability assessments under consideration; and (2) application of cost effectiveness methods for standards development.
  - Mr. Thomas Coleman presented on those special reliability assessments under consideration and discussion with the MRC occurred on the reliability risk relationship as well as need to conduct the assessments, adjustments to scope and priorities.
    - Accelerated Nuclear Retirements
    - Contingency Response for Distributed Energy Resources and Other Inverter-Based Resources
    - Changing Resource Mix Impacts on Demand and Variable Resource Forecasting
    - Changing Resource Mix Impacts on Planning and Operational Reserves
    - Evaluation of Resource Adequacy Approaches
    - Capacity Value for Generation with Non-Firm Fuel
    - Changing End-Use Load Characteristics and Dynamic Load Modeling
  - Mr. Howard Gugel presented on cost effectiveness method application in standards development. The policy input was robust and garnered some discussion. The summary was offered to the MRC members and presentation materials are available as reference.

- ERO Strategic Planning Process
• Mr. Mike Walker provided a summary of the NERC Reliability Issues Steering Committee (RISC) Leadership Summit and an update on the strategic planning activities.

• Electric Reliability Organization (ERO) strategic planning activities will continue to be guided by the RISC efforts.

• Priorities were validated in the process of the RISC summit.

• Next steps will include comment periods to finalize the RISC report for BOT acceptance in February 2018.

• The ERO strategic plan will be presented for approval by the BOT in November 2017.

• E-ISAC Long Term Planning and Budget
  • Mr. Sachs presented on the E-ISAC strategic long term plan as well as funding requests. In addition, there are additional items developing that may require additional resources but this is still in progress.

Board of Trustees Meeting Summary:

The following notes represent some of the significant highlights from the meetings. The Agenda package and associated presentation materials are posted here:

http://www.nerc.com/gov/bot/Agenda%20highlights%20and%20Minutes%202013/Board_Meeting_May_11_2017_Agenda_Package_v2.pdf


• All Board actions on the agenda were approved.

• Mr. Moura presented on the 2017 Summer Reliability Assessment. He presented key findings in the following categories:
  • Resource Adequacy,
  • Management of Renewables in Oversupply conditions,
  • Aliso Canyon Outage in Southern California,
  • Solar Inverter Dynamics and Disturbance Performance, and
  • 2017 Solar Eclipse Impacts.

There will be a NERC Alert issued very soon on the Inverter issue.

• Dr. Merlo provided a report on the 2017 State of Reliability Report.

• Mrs. Sena provided an update on the activities and integration of Mexico. A Steering Group has been created to guide the integration activities.
• Mr. Sachs presented to the BOT on the E-ISAC Long Term Strategic Plan and Budget resource requirements.

• Reports were presented to the BOT as a normal course of business by the Board Committees, NERC Committees and Forum groups.
CPPS Update to Procedures
2017 Work Plan to Update Hearing & Mediation Procedures & Confidentiality Protocol

Matthew Goldberg, CPPS Chair
Compliance and Certification Committee Meeting
May 17-18, 2017
<table>
<thead>
<tr>
<th>Procedure</th>
<th>Group Responsible For Maintaining Substance of Procedure/Group Responsible for Administering</th>
<th>Date Last Updated; Frequency of Review/Update</th>
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<td>5/7/2015</td>
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<td>CCCPP-002 – Compliance Monitoring Program for Reliability Standards Applicable to NERC</td>
<td>EROMS/EROMS</td>
<td>5/7/2015</td>
</tr>
<tr>
<td>CCCPP-003 – Monitoring Program for NERC’s Reliability Standards Development Program</td>
<td>EROMS/EROMS</td>
<td>5/7/2015</td>
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<td>CCCPP-004-1 NERC Compliance and Certification Committee Hearing Procedures</td>
<td>CPPS</td>
<td>5/21/2013</td>
</tr>
<tr>
<td>CCCPP-005-1 NERC Compliance and Certification Committee Hearing Procedures for use in Appeals of Certification Matters</td>
<td>ORCS/ORCS</td>
<td>5/21/2013</td>
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<td>CCCPP-006-1 NERC Compliance and Certification Committee Mediation Procedures</td>
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<td>5/21/2013</td>
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<td>CCCPP-007 – Monitoring Program for NERC’s Adherence to NERC’s Rules of Procedure for Registration and Certification</td>
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<td>5/7/2015</td>
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<td>CCCPP-008-1 Program for Monitoring Stakeholder Perceptions</td>
<td><em>Posted draft looks out of date. It has a January 2011 Version 1.0 notation in footer, but otherwise doesn’t have a version history and is dated June 2013</em></td>
<td>6/3/2013</td>
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<tr>
<td>CCCPP-009-1.1 Confidentiality Protocol – CCC</td>
<td>CPPS/</td>
<td>5/21/2013</td>
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<tr>
<td>CCCPP-010-4 NERC CCC Criteria for Annual Regional Entity Program Evaluation</td>
<td>CPPS/NERC</td>
<td>10/17/2016 Annual</td>
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<tr>
<td>CCCPP-011 – Procedure to Become a Prequalified Organization Eligible to Submit Implementation Guidance to ERO</td>
<td>CPPS/CPPS</td>
<td>6/1/2016 Annual</td>
</tr>
</tbody>
</table>
• Bring CCCPPs in line with recent changes to NERC Rules of Procedure
  ▪ Per CCC Charter, CCC Hearing Procedure needs to be consistent with NERC Hearing Procedure, which is laid out in Rules of Procedure

• Update references to CCC Charter, FERC CFR and Federal Laws

• Rewrite CCCPP-009 (“Confidentiality Protocol”) to refine structure.
• In summary, CCC should update the Procedure so that:
  - the rules and procedural steps are similar to NERC’s Rules of Procedure governing an appeal of a Regional Entity decision.
  - References to CCC Charter and cross-references to NERC ROP or Federal Laws and Regulations are accurate.

• To do this, we have redlined the existing CCCPP-004 against the relevant Rules of Procedure and are otherwise reviewing references to ROP, FERC CFR, Federal Laws.
• We need to update the procedure so that it is consistent with CCC Charter and terminology.
• To do this, we are simply reading through the document and making improvements where appropriate.
• Cross-references to the CCC Charter. The CCC Charter no longer has Section numbers, so these references need to be modified.
• Cross-references to Rules of Procedure
• Define whether there is “1 layer” or “2 layers” of Non-Disclosure Certifications
• Review Requirement for CCC Members to have Background Checks
• Clearer specifications within CCCPP-009 as “Background” information, General Statements of Authority/Responsibility; and Specific Descriptions of Roles and Responsibilities.
• Simplify references to CCC “Functions” and/or “Subgroups”.
  ▪ “Confidential Information” should only be shared among CCC Members with a functional reason to have the information.
• Check in with NERC on NERC Staff Coordinator Responsibilities.
• Reference to “Complaint Form”
Next Steps

- CPPS Team Members are working on Redline Drafts
  - CCCPP-004
  - CCCPP-006
  - CCCPP-009
  - Please let us know if you want to participate in working effort

- Early July: Release of new CCCPP-009 Design
- Mid/late July: Review of Comments/Phone call
- September: Review of new Draft; Presentation to CCC
- September – November: CPPS endorses
- November – CCC Meeting endorses
Questions and Answers
Submission of Complaints to the Compliance and Certification Committee

Action
Information

Summary
North American Electric Reliability Corporation (NERC) staff is working with the Compliance and Certification Committee (CCC) on an addition to the CCC’s webpage that would allow individuals to submit complaints regarding NERC’s adherence to the Rules of Procedure. The goal is a cost-effective solution that allows for submission of information to the CCC Secretary while retaining anonymity of the complainant, when requested. The CCC Secretary would provide the information to the CCC, which is responsible for coordinating with the NERC Board of Trustees Enterprise-wide Risk Committee and NERC’s Internal Audit and Corporate Risk Management department to assess and respond to the complaint.
Independent Audit of SPM

Matt Gibbons, Manager of Internal Audit and Corporate Risk Management
Compliance and Certification Committee Meeting
May 17, 2017
Audit Objective:
• Ensure NERC’s compliance with Standards Process Manual (SPM) and Section 300 of NERC ROP

Audit Scope:
• NERC activities for the time period of 2014-2016

Audit Team:
• Independent Auditor (serves as audit team lead)
• CCC Observers
• NERC Internal Audit
Status SPM:

• CCC audit observers selected
• Independent auditor selected
• Announcement memo sent to NERC staff
• Audit planning is ongoing
• Audit fieldwork scheduled for week of July 17
• Audit report expected in fourth quarter of 2017
• Background
  ▪ Deliverables
  ▪ Team Members
• Messaging
  ▪ Key Principles
  ▪ Touchpoints (when controls evaluated)
  ▪ Benefits (value proposition)
• Recommendations
  ▪ Suggested changes to ICE Guide
  ▪ Outreach
  ▪ CCC Support
• NERC Member Representative Committee (MRC) Accountability Matrix

...Additionally, the ERO Enterprise is working with CCC to enhance registered entity understanding of the benefits of internal controls and how the use of internal controls supports compliance with the NERC Reliability Standards and overall reliability and security of the bulk power system (BPS). Education and outreach activities are occurring during 2017.

• March CCC Action Item

Small group to suggest path and language to capture principles related to the ERO Practice Guide on Internal Controls.

• NERC May 2017 CCC Report to NERC Board of Trustees

The CCC is committed to working with NERC to enhance the outreach on the value of internal controls in the evaluation of compliance to Reliability Standard. A small group of CCC members is working with NERC to identify key principles and messaging for NERC to consider as updates to the ERO Enterprise Guide for Internal Controls
• CCC Members
  • Terry Bilke
  • Greg Campoli
  • Kevin Conway
  • Jennifer Flandermeyer
  • John Rhea
  • Scott Tomashefsky

• Staff Participants
  • Adina Kruppa
  • Ryan Mauldin
  • Teresina Stasko
• There is not a “one size fits all” approach for implementing internal controls

• While ICE has been discussed as primarily a pre-audit engagement, this is not the sole nor primary CMEP touchpoint related to internal controls

• You cannot be found non-compliant for your controls or controls approach

• To fulfill its obligation to ensure and adequate level of reliability, the ERO has fundamental need to understand how entities address reliability and security risks
• While not required, it is in the Registered Entities’ self-interest to present their controls as opportunities arise

• All entities have many internal controls, they just might not have documented them

• Priority on controls should be on reliability and security risk, not audit evidence collection

• Some requirements cannot be made foolproof via preventative controls
  ▪ Multiple layers needed for higher risk issues
  ▪ Can never get a zero risk
Controls Evaluation Touchpoints

- Compliance program controls evaluation (to obtain self-logging authority)
- Intra-audit (periodic controls evaluation as part of oversight plan)
  - Guided self certifications
  - CMEP focus areas
- Pre-audit (fine tune audit scope)
- Audit concurrent (to gain assurance)
- Enforcement
- Mitigation
• Focuses everyone on Reliability and Security as opposed to stacking multiple layers of evidence
• Quicker path to gain assurance
• Logging authority
• Can reduce the scope of on-site audits
• Can demonstrate that the risk associated with a violation was reduced
• Long term could result in an ongoing oversight approach that eliminates the need for major audit engagements.
• Clarify that ICE is more than pre-audit engagements
• With regard to pre-audit ICE, simplify and standardize the approach for those that elect the opportunity (e.g. scope and lead time)
• Present example risk management models used by Registered Entities to help entities that have not yet started documenting and managing their controls
• Ensure CMEP IP Focus Area are truly risk-based
• CCC members assist in ERO and Regional Compliance workshops

• Develop supporting tools and infrastructure, such as
  ▪ Posting positive observations and lessons-learned related to controls
  ▪ Consider adding Standards’ Purpose Statements and an optional “Internals Controls Narrative” block near the front of RSAWs as a structured way for entities to present their controls
Possible CCC Support Activities

• Industry training on Internal Controls (examples of approaches to design, evaluate, and document)
• Building understanding of auditor expectations regarding internal controls
• Working with NERC on path and timeline to integrate controls into risk-based monitoring and enforcement
• Partnering with NERC on messaging
• Support NERC and Regional Standards and Compliance Workshops
• Develop a discussion paper on controls evaluation CMEP touchpoints and value proposition
• Team to send out revised ICE Guide later this month
• Request CCC feedback (suggested 2 weeks)
• The team believes its basic action item is complete
• Will take recommendations from CCC and its leadership whether to address any of the recommendations or whether they should be handed over to another group or subcommittee
NERC CCC Consistency Working Group (CWG)

Scope
Approved: May XX, 2017

Purpose
The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) has a role in implementing the Process for Evaluating Consistency of Electric Reliability Organization (ERO) Enterprise Programs. The NERC CCC Consistency Working Group (CWG) will execute the CCC role within the process to address potential concerns with consistent implementation of the Compliance Monitoring and Enforcement Program (CMEP) and Organization Registration and Certification Program (ORCP).

Roles and Activities
The Process Flow for Evaluating Consistency of ERO Enterprise Programs (Attachment 1) identifies the CCC role, which includes: aiding in the screening of information, supporting further investigation of a potential concern, as requested by NERC, and providing suggested resolutions.

The CCC delegates its role and responsibilities to the CWG in an effort to more effectively and efficiently carry out activities. The CWG reports its work and deliverables to the CCC, and the CCC maintains ultimate responsibility for decision making and providing recommendations to NERC.

The CWG follows these steps to research and frame the possible consistency issue and provide suggested resolutions to NERC:

1. Gather information on the requested consistency issue
   a. Identify support needs and use CCC subcommittees or individual members that have the expertise to review the issue
   b. Perform analytical and qualitative review of the issue
   c. Poll or survey, if needed, sources inside and outside the CCC (e.g., other NERC technical committees) to collect input on issue for possible resolution

2. Evaluate consistency issue
   a. Determine the nature and extent of the issue and determine whether it is a systemic issue. For example, determine whether the issue is regional, limited to a segment, or limited to a particular program area.
   b. Identify possible risk to the success of the CMEP and ORCP, and whether the issue poses a risk to the Bulk Electric System if not resolved.
3. Develop suggested resolution of the issue.
4. Present suggested resolution to the CCC for review and endorsement.

Membership
The CCC Chair and NERC will annually appoint the members of the CWG responsible for carrying out the scope of work. Membership in the CWG is primarily determined by subject matter expertise related to CMEP and ORCP processes.

1. Composition
   a. CCC Appointed Members - Five (5)
   b. CCC Chair
   c. CCC Vice Chair
   d. NERC – Two (2)

2. Leadership
   CWG leadership consists of two Co-Chairs, one Co-Chair from the CCC and one Co-Chair from NERC.

3. Observers
   The CWG Co-Chairs may invite observers to participate in meetings, which may include additional NERC or Regional Entity staff, as well as other CCC members (e.g., CCC subcommittee representatives). Observer participation is limited to observing the process and providing additional information, when requested, and participation will not be part of the deliberation process.

Meetings
The CWG shall meet based on workload, as determined by the Co-Chairs, but will meet at least quarterly by conference call or in person. Meetings may also occur in conjunction with the regular CCC meetings. The CWG shall meet in closed session given the sensitive nature of the materials discussed.

Voting
The CWG recommendations will be consensus-based. If consensus cannot be reached, the CWG will provide a recommendation to the CCC with a brief explanation of the majority and dissenting position(s) for final determination by the CCC.

Deliverables
The CWG is responsible for communicating suggested resolutions of consistency issues to the CCC, who will then communicate recommendations to NERC. The CWG Co-Chairs will provide a quarterly report of activities to the CCC at its regularly scheduled meeting.
Compliance and Certification Committee

Compliance Monitoring and Enforcement Process Technology and Tools

Ken McIntyre, Vice President of Standards and Compliance, NERC

Compliance and Certification Committee Meeting
May 17-18, 2017
CMEP Technology Program Objectives

• Ensure consistency in practices and data gathering by aligning common CMEP business processes across the ERO Enterprise
• Improve the effectiveness of the ERO Enterprise by improving the ability to share and analyze reliability risk and compliance information
• Increase efficiency of compliance work activities across the ERO Enterprise through the use of workflows and collaboration tools
CMEP Technology Program Objectives

• Assist the ERO Enterprise in meeting applicable requirements of generally accepted professional standards, as well as requirements established through the Rules of Procedure

• Reduce total combined NERC and Regional Entity IT capital investments and maintenance cost for CMEP-related applications; current annual licensing and maintenance fees ERO Enterprise-wide spend of $1.1M

• Enable easier data entry and access to information for registered entities
General Solution Approach and Alignment with Objectives

The solution approach illustrated below proposes several interrelated functional components that will comprise the proposed ERO Enterprise CMEP system. The following diagram is intended to illustrate the relationship between those components.

Sets CMEP Jurisdiction

Entity Registration

Standards/RoPs

Key Inputs from various reports and analysis

Planning
- Compliance Oversight Plan Development
  (ex. inherent risk assessment, internal controls review/evaluation)

Field Work
- Compliance Monitoring Tools

Reporting
- Reports
- Disposition of Non-Compliance Mitigation

Quality Assurance
- Internal and External Oversight

Systems contains all information to determine applicability of standards to Registered Entities

Externally located, but needed for planning

Single system contains all CMEP-related work documentation to support determinations

Applicable Professional Standards

Related ERO Processes and Tools
CMEP Technology Program - Current Activities

• ERO project team and consultant currently focused on the following activities:
  ▪ Project communications and change management plan
  ▪ Requirements gathering
  ▪ Process and tools inventory
  ▪ Conceptual model for key data structures and relationships
  ▪ RFP and selection criteria for a new CMEP solution
Questions and Answers
Compliance Monitoring Update

Kiel Lyons, Manager, Grid Planning & Operations Assurance
Compliance and Certification Committee Meeting
May 17-18, 2017
• Inherent Risk Assessment Completion:
  ▪ Completed for all Balancing Authorities, Transmission Operators, and Reliability Coordinators.

• Internal Controls Implementation:
  ▪ Regional Entities completed one Internal Control Evaluation (ICE) and have one additional ICE in progress, and
  ▪ Focus on enhancing processes for conducting reviews of internal controls during Compliance Monitoring and Enforcement Program (CMEP) activities, such as audits.

• Compliance Oversight Plans Completion
• Multi-Region Registered Entities (MRREs) Participant Survey
• ERO Enterprise Procedure for MRRE’s in Coordinated Oversight
• Data Submittal Schedule
• MRRE Monitoring Engagement Schedule
The Nuclear Energy Institute was approved as a pre-qualified organization.

Implementation Guidance
- 18 Endorsed, 7 Non-Endorsed, and 4 Open

CMEP Practice Guides
- Phased Implementation Plans with Completion Percentages

How to Develop Implementation Guidance Webinar

Inventory of Implementation Guidance Under Development

Retired Implementation Guidance Webpage Update
Internal vs External Discovery

Internal 450; 85%

External 81; 15%
Questions and Answers