

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Compliance and Certification Committee 2019 Work Plan

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RELIABILITY | ACCOUNTABILITY



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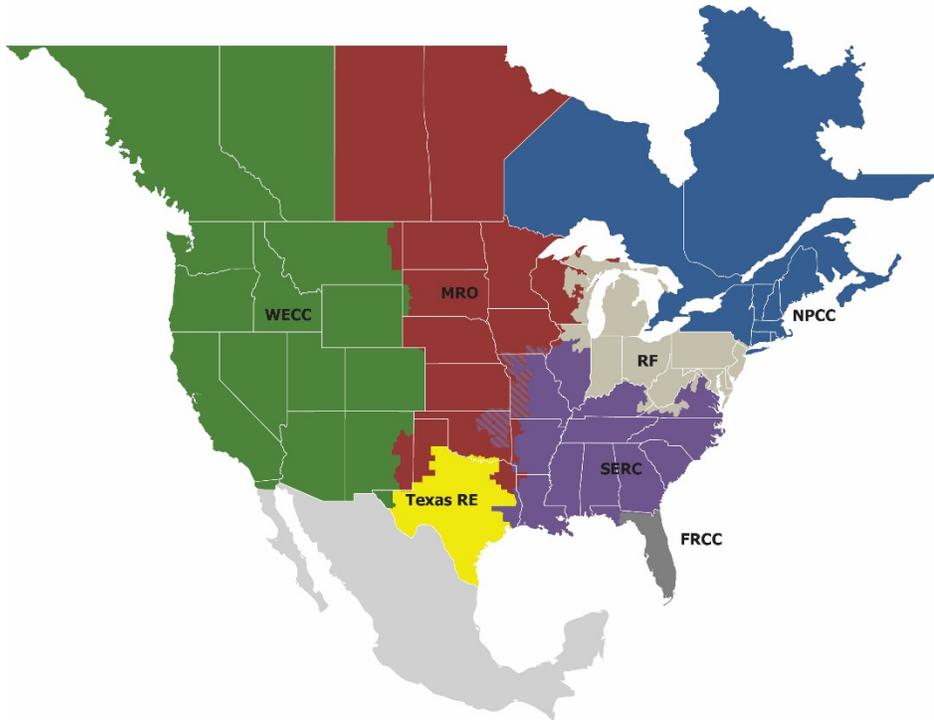
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Preface

The vision for the Electric Reliability Organization (ERO) Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the seven Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

The North American BPS is divided into seven RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



FRCC	Florida Reliability Coordinating Council
MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Executive Summary

The purpose of this Work Plan is to identify the anticipated activities and deliverables of the NERC Compliance and Certification Committee (CCC) for 2019. The plan is based on the responsibilities assigned to the CCC by the NERC Board of Trustees (Board) for programs across the ERO Enterprise and tasks identified by the CCC that are required to fulfill these responsibilities. Additionally, the CCC identified projects and deliverables that will further support the goals of the ERO Enterprise Operating Plan and the ERO Enterprise Long-term Strategy.

There are several ERO focus areas where CCC activities will support:

1. **Objective and Risk-informed Compliance Monitoring, Enforcement, and Organization Registration and Certification:** As a committee providing support and guidance but otherwise independent of the execution of NERC's Compliance Monitoring and Enforcement Program (CMEP) and the Organization Registration and Certification Programs (ORCP), the CCC will develop criteria to assess NERC's adherence to the Rules of Procedure (ROP) for these programs on an ongoing basis. As a committee independent of Reliability Standards development, the CCC is responsible for establishing and implementing a program as specified in Section 405 of NERC's ROP to monitor NERC's adherence to its Standard Processes Manual (Appendix 3A), with the exception of appeals of substantive or procedural action or inaction associated with a Reliability Standard or the standards process as defined in the Appeals section of the Standard Processes Manual. In 2019, the CCC will continue to work with NERC staff and stakeholders to continue to refine the maturing and ongoing role for the CCC with respect to the ERO's adherence to its processes, procedures, and statutory obligations.
2. **Effective and Efficient ERO Enterprise Operations:** Provide continued and ongoing input and support into the design of ERO Program development and revision efforts. The CCC will assist in identifying modifications for improvements and associated changes to the NERC ROP and associated documents or processes.
3. **Identification and Mitigation of Significant Risks to Reliability:** In 2019, the CCC will continue its work with NERC staff and stakeholders to identify areas where collaboration with stakeholder committees will assist with the further development and maturation of successful risk mitigation and program administration to support the success of the ERO Enterprise.
4. **Identification of Emerging Risks to Reliability:** The CCC will participate in discussions on the continued development of risk metrics to further evaluate potential emerging issues or threats and trends to facilitate reliability of the bulk power system. The CCC will also identify necessary actions as inputs to NERC management.

The CCC has subcommittees and working groups performing certain assigned tasks on behalf of and under the supervision of the CCC. The CCC will use the following subcommittees and working groups, along with NERC and Regional Entity staff, as the primary resource for projects and activities:

- Organization Registration and Certification Subcommittee (ORCS)
- Compliance Processes and Procedures Subcommittee (CPPS)
- ERO Monitoring Subcommittee (EROMS)
- CCC Nominating Subcommittee
- ERO Program Alignment Working Group

The following pages represent an outline of the deliverables of the work plan and detailed project information.

Introduction

The CCC is a Board-appointed stakeholder committee serving and reporting directly to the Board. In that capacity under a NERC Board-approved charter,¹ and as approved by FERC² and set forth in NERC’s ROP, the CCC will engage with, support, and advise the Board, the NERC Board of Trustees Compliance Committee (BOTCC), and the NERC Board of Trustees Enterprise-wide Risk Committee (EWRC) regarding all facets of the NERC CMEP, Organization Registration program, and Organization Certification program.

The CCC partners with NERC leadership on a variety of key NERC initiatives and criteria for evaluation and assessment of the effectiveness of NERC programs. To support this endeavor, the CCC has developed this work plan to identify the activities that the CCC intends to perform in 2019 to fulfill the responsibilities the Board has established for the CCC.

The CCC provides for balanced discussion, commentary, and recommendations on compliance issues by bringing together a diversity of opinions and perspectives from NERC member sectors. Members are appointed to the CCC by the Board and serve on the committee at the pleasure of the Board.

Individuals deemed qualified to serve on the committee will generally include senior-level industry experts who have familiarity, knowledge, and experience in the areas of compliance, compliance enforcement, compliance administration and management, organization responsibilities and registration, organization certification, and NERC and Regional standards. These individuals are normally involved with internal compliance programs within their respective organizations. Committee members are expected to support the interests of the sector they represent, to the best of their ability and judgment.

Revision History

Date	Version Number	Comments
9/11/2018	0	Working Draft – CCC Executive Committee Review
10/22/2018	1	Working Draft – CCC Executive Committee Review
12/05/2018	2	Approved by the CCC

¹ <http://www.nerc.com/comm/CCC/Documents/CCC%20Charter%20Approved%20RR15-11-000.pdf>

² http://www.nerc.com/files/Order_on_Comp_Filing_06.07.2007_CCC_VSL_Order.pdf

Chapter 1: 2019 CCC Work Plan – Strategic Planning Efforts

This is a new section of the Work Plan that is intended to address the long-term value of the CCC. The projects included in this category are intended to address succession planning within the CCC as well as clarify the CCC's role in the broader scope of the maturation of the risk-based approach. Further details on these projects are shown in the following table below.

Project #	Project Name	Activities	Resource(s)
1	Succession Planning	<ul style="list-style-type: none"> • Undertake a broader CCC discussion regarding how to best address succession planning efforts <ul style="list-style-type: none"> ▪ The Committee is currently undergoing significant changes in terms of membership and leadership, while at the same time, NERC staff and the Board of Trustees are increasingly turning to the CCC for guidance and advice on behalf of the stakeholder community. • Ensure the CCC is strategically positioned to be able to fulfill the responsibilities and long-term expectations. 	CCC, CCC Subcommittees, NERC Management
2	Industry Collaboration	<ul style="list-style-type: none"> • Participate in Standards Efficiency Review process • Direct involvement in leadership of the Standing Committees Coordination Group • Communications and participation with industry groups 	CCC, CCC Subcommittees
3	Enhancing CCC Program Efficiencies	<ul style="list-style-type: none"> • Evaluate various activities and functions of subcommittees/working groups to determine ways to improve the effectiveness and efficiency of the CCC • Consider Compliance Efficiency Review Project • Explore opportunities to “cross train” across various CCC subcommittees • Collaborate with NERC Internal Audit for training opportunities 	CCC, CCC Subcommittees, NERC Management
4	Communications	<ul style="list-style-type: none"> • Develop materials that can be developed for individuals as they first join the CCC <ul style="list-style-type: none"> ▪ Reporting and Onboarding ▪ Cross Cutting Issues ▪ Roles of the Subcommittees 	CCC, NERC Management

Chapter 2: 2019 CCC Work Plan – Ongoing Responsibilities

The tables below summarize the list of ongoing responsibilities assigned to the CCC. In general, responsibilities are divided into two primary categories: 1) activities that respond to the CCC Charter and the NERC Rules of Procedure, and 2) activities that support the NERC mission. Further details on the deliverables and projects are discussed in the next section by project number identified below.

Project #	Project Name	Activities	Resource(s)
1	Review and Update of CMEP and CCC Programs and Procedures	<ul style="list-style-type: none"> Review and monitor changes to the CMEP and other NERC initiatives that could require updates or changes to CCC programs and procedures Evaluate and review of CCC Charter, including functions and responsibilities Evaluate and review of CCC Subcommittee scopes and activities Explore opportunities to “cross-train” among subcommittees 	CCC, CCC Subcommittees, NERC Management
2	Program Support Efforts (CMEP, Standards Development)	<ul style="list-style-type: none"> Identify and participate in risk-based compliance assurance outreach and feedback discussions Support outreach on internal controls Identify outreach needs and conduct activities focused on registered entities that are small or pose lower risk to the bulk power system. Support rollout of key activities or program revisions as requested Partner with ERO Enterprise to address issues related to RSAWs Review stakeholder requests to become a qualified entity to submit compliance guidance Evaluate programs and associated ROP sections for necessary revisions as program development occurs Actively participate in Phase 2 of NERC’s Standards Efficiency Review 	CCC, CPPS, NERC Management
3	Assistance with Review of Information Production, Capture and Response for ORCP	<ul style="list-style-type: none"> Review information production for opportunities to improve efficiency and effectiveness Assist with evaluation of oversight and monitoring tools for issue resolution Evaluate programs and associated ROP sections for necessary revisions as program development occurs 	CCC, ORCS
4	NERC Self-Certifications	<ul style="list-style-type: none"> Participate in and support self-certification and reporting 	CCC, EROMS, NERC Internal Audit

Project #	Project Name	Activities	Resource(s)
		<ul style="list-style-type: none"> Coordinate with NERC on criteria development, process, and assessment of adherence to NERC ROP 	
5	NERC Audits	<ul style="list-style-type: none"> In accordance with Sections 406 and 506 of the NERC ROP, determine NERC's adherence with the ROP requirements of the CMEP and ORCP. CCC representatives will serve as observers of this audit. 	CCC, EROMS, NERC Internal Audit
6	ERO Regional Entity Compliance Program Audits	<ul style="list-style-type: none"> Support Regional Entity Compliance Program audits executed by NERC's Internal Audit and Corporate Risk Management function, consistent with Appendix 4A of the ROP 	CCC, NERC Internal Audit
7	Enterprise-wide Risk Committee (EWRC) Collaboration	<ul style="list-style-type: none"> Provide input to Work plan as requested by the EWRC Fulfill advisory role as requested Participate and support in EWRC activities and discussions 	CCC Leadership, EWRC and ERO Enterprise Management, NERC Director of Internal Audits
8	NERC Reliability Issues Steering Committee Collaboration	<ul style="list-style-type: none"> Provide input to existing risks, mitigation strategies, and emerging risk identification Participate and support in RISC activities and discussions 	CCC Leadership, NERC Management
9	ERO Enterprise Program Alignment	<ul style="list-style-type: none"> Address potential ERO program alignment issues to support success of CMEP and ORCP Assist NERC with screening of information, support further review of reported items, and provide suggested resolutions if warranted Assist ERO team in development of the CMEP Technology Tool 	CCC, Alignment Working Group, NERC Management
10	ERO Effectiveness Survey	<ul style="list-style-type: none"> Participate on the ERO Effectiveness Survey Advisory Group Support development efforts for future surveys Develop survey questions specific to the ERO Enterprise Coordinated Oversight Program for Multi-Regional Registered Entities Evaluate results to provide reporting and recommend improvements 	CCC, EROMS, TalentQuest, NERC Management
11	Stakeholder Collaboration	<ul style="list-style-type: none"> Identify industry stakeholder groups where CCC collaboration will strengthen ERO process and approach Participate in industry outreach as requested with ERO personnel on designated ERO topics 	CCC, Stakeholder Committees

Chapter 3: Ongoing Responsibilities - Details

Project 1 – Review and Update of CMEP, CCC Programs and Procedures

- Review CCC programs and procedures in consultation with NERC management to identify necessary changes and procedural review or approval requirements.
- Update criteria for assessing effectiveness of Regional Entity CMEP activities, considering ERO input, to appropriately reflect program modification, improvements, and prior years' evaluations.
- Continue to assess how CMEP practices change related to risk-based CMEP implementation in regard to (a) monitoring practices (as embodied in CCCPP-010 and also including assisting CPPS in the annual RE evaluation criteria work); (b) enforcement; and (c) Reliability Standards development. Assist NERC with annual evaluation of goals, tools, and procedures of each Regional Entity CMEP to determine effectiveness of each Regional Entity CMEP, using criteria developed by the CCC.
- Per the terms of CCCPP-011, conduct annual review.
- Review the Compliance Guidance Policy and take associated actions to support.

Project 2 – Program Support Efforts

- Support program efforts related to CMEP and Standards Development areas in support of ERO Enterprise goals.
- Partner with ERO Enterprise related to review of Reliability Standard Audit Worksheets (RSAWs).
 - CCC comments on RSAWs, as requested.
- Monitor and respond to any requests from stakeholders to become pre-qualified organizations that can submit proposed Implementation Guidance.
- Hold “focus group” discussions that are intended to identify opportunities for the ERO Enterprise to drive specific improvements and information sharing across the ERO Enterprise.
- Participate with ERO Enterprise Staff in evaluation of ROP changes and recommend changes as program maturation continues.
- Monitor for regional activities on ORC functions and changes to registration and certification.

Project 3 – Assist with Review of ORCP Information Cycle

- Test the entity registration tool: Centralized Organization Registration Entity System (CORES), and provide guidance to NERC staff as needed.
- Review and provide suggestions for improvement to the 2019 Organization Certification Program activities.

Project 4 – NERC Self-Certifications

- Develop and update self-certification forms and request NERC self-certify adherence to the ROP for the following items:
 - Standard Processes Manual (SPM).
- Coordinate with NERC to prepare a summary report of the results of NERC's assessment to the EWRC.

Project 5 – NERC Audits

- In accordance with Sections 406 and 506 of the NERC ROP, work with NERC Internal Audit to select an independent auditor to conduct an audit of the following items:
 - Compliance Monitoring and Enforcement Program (CMEP), and
 - Organization Registration and Certification Programs (ORCP)
- Coordinate with NERC for the CCC to participate in the audit as observers.
- Review the final audit report and provide it to the EWRC.

Project 6 – Regional Entity Compliance Program Audits

- Work with NERC management (Internal Audit and Compliance Assurance) to develop criteria for the 2019 audits of Regional Entity Compliance Programs.
- At the discretion of the CCC, participate as an observer in Regional Entity Compliance Program audits executed by NERC's Internal Audit and Corporate Risk Management function, consistent with Appendix 4A of the ROP.

Project 7 – Enterprise-Wide Risk Committee Collaboration

- Work with NERC to provide input on the annual EWRC Work Plan.
- Participate in advisory capacity as requested in planning for EWRC-identified Regional Entity Audits.
- Review the criteria for annual Regional Entity Evaluations as required with suggested modifications per procedure to this program and criteria as appropriate.
 - Items to consider here may include work with NERC to address any concerns or input received from the Regional Entities.
- Coordinate with the EWRC to determine the use of Spot Checks of NERC processes annually for those areas for which the CCC is responsible for monitoring in coordination with the EWRC.
- Support EWRC to evaluate the use of third parties to conduct required audits per the NERC Rules of Procedure.

Project 8 – NERC Reliability Issues Steering Committee Collaboration

- Perform outreach efforts with stakeholders to gather input for emerging risks.
- Participate in and support Reliability Issues Steering Committee (RISC) updates.
- Participate in evaluation and revisions to the ERO Risk Elements supporting development of the ERO Enterprise Operating Plan and the ERO Enterprise Long-term Strategy.
- Participate and support Reliability Leadership Summit as opportunity occurs.

Project 9 – ERO Program Alignment

- CCC ERO Alignment Working Group (AWG) will execute the CCC role within the process to address potential reported concerns related to CMEP and ORCP activities.
 - Gather information regarding potential alignment issues.

- Evaluate nature and extent of the alignment issue.
- Develop suggested resolution of the issue.
- Present suggested resolution to the CCC for review and endorsement.
- Communicate suggested resolutions of alignment issue to the CCC to communicate to NERC.
- Provide stakeholder expertise to support the development of the CMEP Technology Project and CORES.

Project 10 – ERO Enterprise Stakeholder Survey

- Participate on the ERO’s Effectiveness Survey Advisory Group.
- Support development efforts of the ERO Effectiveness Survey by contributing input on survey objectives, content, and delivery in preparation for future surveys.

Project 11 – Stakeholder Collaboration

- Identify opportunities where the CCC can provide compliance expertise in collaboration with other industry stakeholder committees.
- Participate in industry outreach as requested by NERC management on designated topics with ERO personnel.
- Strengthen committee collaboration and create joint work products, as necessary.

Chapter 4: 2019 CCC Work Plan - Deliverables

The tables below summarize the list of CCC work plan deliverables for projects in 2019. Further details on the deliverables and projects are discussed in the next section by project number identified below.

	Project Name	Deliverable	Schedule
1	ERO Program Alignment	<ul style="list-style-type: none"> Periodic reports regarding the effectiveness of the ERO Program Alignment Initiative and Reporting Tool (with NERC management) 	Q1 2019 (AWG)
2	ERO Effectiveness Survey	<ul style="list-style-type: none"> CCC Report on the 2018 CCC Effectiveness Survey 	Q1 2019 (EROMS)
3	NERC Self-Certifications	<ul style="list-style-type: none"> 2018 CMEP, ORCP, and SPM results memo to CCC 2019 Self-Certification Form to NERC, via direct communication from CCC Chair 	Q1 2019 Q2 2019 (EROMS)
4a	Review and Update of CMEP and CCC Programs and Procedures	<ul style="list-style-type: none"> Updated CCC Charter, reflecting: 1) any changes to the ERO Enterprise and/or adjustment to the CCC scope of work, 2) updated vision statement 	Complete by Q2 2019 BOT approval by Q4 2019
4b	Review and Update of CMEP and CCC Programs and Procedures	<ul style="list-style-type: none"> Revised CCC Subcommittee Scope 	Q2 2019
4c	Review and Update of CMEP and CCC Programs and Procedures	<ul style="list-style-type: none"> Revised documents for CCCPP-01 to CCCPP-09, to reflect changes to the CMEP and other NERC initiatives that involve CCC programs and procedures. Note that CCCPP-010 and CCCPP-011 were in the process of being updated in 2018 and will not be part of the 2019 review. 	Complete by end of 2019. Subcommittees will develop review schedule.
4d	Review and Update of CMEP and CCC Programs and Procedures	<ul style="list-style-type: none"> Revised CCCPP-012 document (Procedures for becoming a Pre-Qualified Organization for Compliance Guidance) 	Q2 2019 (ORCS)
5	CCC Onboarding Materials	<ul style="list-style-type: none"> Full package of briefing materials for new CCC members 	Q3 2019 (Executive Committee)
6	Standards Efficiency Review Project	<ul style="list-style-type: none"> Take projects from Phase II SER team into CCC channels to work to completion or resolution. 	Schedule based on timing of feedback from Phase II SER Team
7	Regional Entity Compliance Audits	<ul style="list-style-type: none"> Audit Report to EWRC 	Q2 2019
8	NERC CMEP and ORCP Independent Audit	<ul style="list-style-type: none"> Audit report on CMEP and ORCP to EWRC 	Q4 2019

Chapter 5: Logistics and NERC Budget Requirements for CCC Activities

CCC Quarterly Meetings (Cost to be determined by NERC)

Assumptions: Four CCC meetings per year

- NERC staff attendance
- NERC travel expenses
- Hotel (Conference rooms if applicable – normally hosted at stakeholder locations or NERC offices)
- Food

CCC Program Audits/Review

Assumptions: Audit/Review using an Independent Contractor.

- Audit frequency changes dependent on NERC internal monitoring capability as it continues to mature, based upon recommendations of independent reviewer.
- There are scheduled audits in 2018 with planning beginning in Q1 2018.

WebEx/Conference Calls (Cost to be determined by NERC)

Assumptions: Three CCC/Subcommittees NERC WebEx or conference calls quarterly.

Stakeholder Perception Survey (Cost to be determined by NERC)

Assumptions: At the request of the NERC Board, the CCC stakeholder survey is combined with the ERO effectiveness survey.

Training (Cost to be determined by NERC)

Assumptions: Half-day of hearing training appended to regular CCC meeting every even year. CCC members should have the capability to assist with observation and creation of audit criteria to fulfill responsibilities under the CCC charter to conduct audits of NERC's adherence to the ROP. Training is provided, to those new member participants, ahead of the audit activities. This training will be conducted as needed.