NERC Compliance and Certification Committee 2021 Work Plan

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RELIABILITY | RESILIENCE | SECURITY

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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six 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.

<p align="center">Reliability | Resilience | Security
Because nearly 400 million North Americans are counting on us</p>

The North American BPS is divided into six 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.
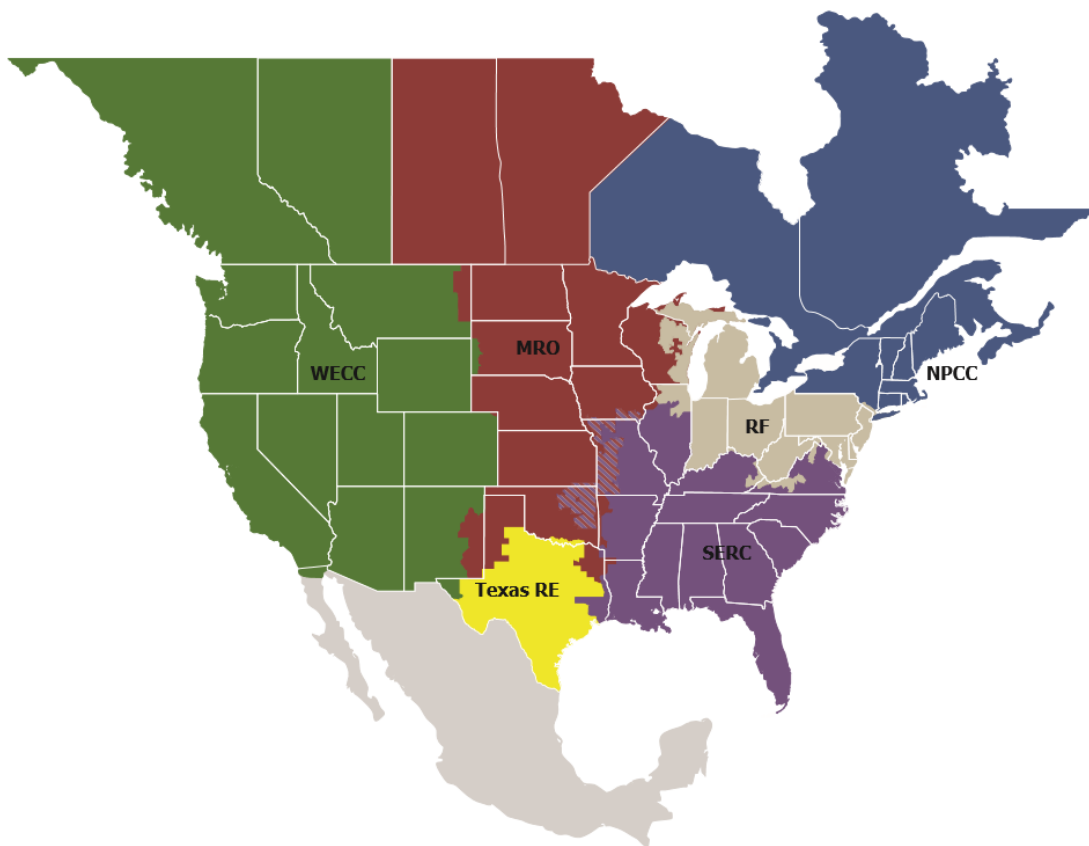
MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

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 2021. 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.

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 regularly assesses NERC's adherence to the Rules of Procedure (ROP) for these programs as part of its ongoing work. 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 2021, 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.

Many of the CCC projects and deliverables included in this Work Plan are intended to support the goals of the ERO Enterprise Operating Plan and the ERO Enterprise Long-term Strategy. There are numerous focus areas in the 2021 ERO Enterprise Work Plan Priorities and key objectives where CCC activities will or may provide extensive support:

1. **Expand Risk-Based Focus in Standards, Compliance Monitoring, and Enforcement (ERO Enterprise Long-term Strategy Focus Area 1):** The CCC will participate in discussions and outreach opportunities to continue to facilitate opportunities to embed or promote internal control activities into registered entities' compliance efforts through industry relationships and participation in support of key objective #2. Working with ERO Enterprise colleagues and the RSTC colleagues, the expertise of the CCC will support this effort balancing strengthening of controls with prioritization of control implementation based on risk rationalization. Partnership with industry organizations to facilitate additional industry maturity in these areas will support the overall ERO Enterprise priority.

2. **Assess and Catalyze Steps to Mitigate Known and Emerging Risks to Reliability and Security (ERO Enterprise Long-term Strategy Focus Area 2):** The CCC will participate in discussions with the Reliability Issues Steering Committee and other groups within the ERO Enterprise 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 based on stakeholder feedback as inputs to NERC management. In 2021, 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.

3. **Build a Strong E-ISAC-Based Security Capability (ERO Enterprise Long-term Strategy Focus Area 3):** While the CCC support in this focus area and set of key objectives may be limited, the CCC can encourage, through stakeholder outreach and feedback programs, industry participation and information sharing which ultimately support the objectives to contribute to the overall success of the E-ISAC.

4. **Strengthen Engagement across the Reliability and Security Ecosystem in North America (ERO Enterprise Long-term Strategy Focus Area 4):** The CCC will serve as a partner to the ERO Enterprise community to facilitate gathering and providing stakeholder feedback. In addition, the CCC will collaborate with ERO Management to deliver outreach to all industry communities to ensure successful implementation of the ERO Enterprise programs (CMEP, ORCP and the SPM).

5. **Capturing Effectiveness, Efficiency, and Continuous Improvement Opportunities (ERO Enterprise Long-**

term Strategy Focus Area 5): The CCC will 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. In 2021, the CCC will continue to evaluate compliance monitoring and enforcement processes through the strategic use of CCC task forces, including those focused on specific issues (i.e., supply chain, facility ratings, the Functional Model) and emerging issues under consideration during 2021. The CCC serves as a critical partner to evaluate industry feedback on alignment efforts, the Standards Efficiency Review, and support of the Align project through active participation in the Align User Committee.

In addition to these focus areas, the CCC will support the ERO vision to address and prioritize emerging risks to reliability and security through participation in the NERC Standing Committee Coordination Group and as a feedback loop in the ERO Enterprise Framework to Address Known and Emerging Reliability and Security Risks.

The CCC subcommittees and working groups perform certain assigned tasks on behalf of and under the supervision of the CCC. In collaboration with ERO Enterprise Management, the CCC delegates responsibilities to the following subcommittees and working groups for projects and activities:

- Organization Registration and Certification Subcommittee (ORCS)

- ERO Monitoring Subcommittee (EROMS)

- CCC Nominating Subcommittee (NS)

- CCC ERO Alignment Working Group (AWG)

The following pages represent an outline of the work plan deliverables 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 FERC[2] 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 2021 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
October 5, 2020	1	CCC Initial Review
October 27, 2020	2	CCC Executive Committee Version #1
November 9, 2020	3	CCC Executive Committee Version #2

Chapter 1: 2021 CCC Work Plan – Strategic Planning Efforts

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 to reliability and security. Further details on these projects are shown in the following table.

Project #	Project Name	Activities	Resource(s)
1	**Industry Collaboration**	• Participate in Standards Efficiency Review • Continue in leadership role on Standards Efficiency Review Advisory Group • Maintain direct involvement in the Standing Committees Coordination Group and support formalization of this group • Enhance communications and participation with industry groups with a focused plan for coordination • Participate as members of the Align Users Committee	CCC, CCC Subcommittees
2	**Enhancing CCC Program Efficiencies**	• Continue evaluation of various activities and functions of subcommittees/working groups to determine ways to improve the effectiveness and efficiency of the CCC • Explore opportunities to "cross train" across various CCC subcommittees • Collaborate with NERC Internal Audit team for risk and control maturity opportunities • Hold half-day of CCC hearing training for CCC members • Identify training opportunities for CCC members in collaboration with NERC Standing Committees	CCC, CCC Subcommittees, NERC Standing Committees, NERC Management

| 3 | **Communications** | • Develop materials for onboarding as members join the CCC and to provide to industry stakeholders looking for background information about the CCC

• Maintain direct involvement in the Standing Committees Coordination Group

• Create feedback loops with the Member Representatives Committee

• Formalize the ERO Stakeholder Feedback Program

• Create feedback loops with industry organizations in a practical, logical manner | CCC, MRC, NERC Management |

Chapter 2: 2021 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**	• 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 CCC Charter, including functions and responsibilities • Evaluate and review potential ROP changes associated with CCC activities • Explore opportunities to "cross-train" among subcommittees	CCC, CCC Subcommittees, NERC Management
2	**Program Support Efforts (CMEP, Standards Development)**	• Identify and participate in risk-based compliance assurance outreach and feedback discussions • Support outreach on internal controls • Support rollout of key activities or program revisions as requested • Partner with ERO Enterprise to provide feedback on RSAW development • Partner with NERC to provide feedback for CMEP Practice Guides • Review stakeholder requests to become a qualified entity to submit compliance implementation guidance • Evaluate programs and associated ROP sections for necessary revisions as programs mature • Evaluate alignment submissions and work with NERC management on proposed resolutions • Actively participate in NERC's Standards Efficiency Review key objective	CCC, EROMS, AWG, NERC Management

Project #	Project Name	Activities	Resource(s)
3	**Assistance with Review of ERO documentation for ORCP**	• Support review of ERO documentation for ORCP to identify revisions as programs mature	CCC, ORCS
4	**NERC Self-Certifications**	• Support self-certification of CMEP, ORCP, and Standards Development and associated reporting • Coordinate with NERC Internal Audit on criteria development, process, and assessment of adherence to NERC ROP as a maturity project for effective ways to conduct risk-based reviews	CCC, EROMS, NERC Internal Audit
5	**NERC Audits**	• In coordination with NERC Internal Audit under Sections 405/406/506 of the NERC ROP, participate in audits of NERC in the areas of CMEP, ORCP, and reliability standards development	CCC, EROMS, NERC Internal Audit
6	**ERO Regional Entity CMEP Audits**	• In accordance with CCCPP-012, support Regional Entity CMEP audits executed by NERC's Internal Audit and Corporate Risk Management function, consistent with Appendix 4A of the ROP • Work to identify process changes to incorporate the reviews from CCCPP-012 into existing reviews associated with other areas (CCCPP-001, 003 and 007) for efficiencies and in accordance with filed ROP changes	CCC, NERC Internal Audit
7	**Enterprise-wide Risk Committee (EWRC) Collaboration**	• Provide input to EWRC as requested • Fulfill advisory role to NERC Internal Audits as requested • Participate and support EWRC activities and discussions • Participate in the annual ERO risk discussions with NERC Management as requested	CCC Leadership, EWRC and ERO Enterprise Management, NERC Director, Internal Audits, Board Finance and Audit Committee (as needed)

Project #	Project Name	Activities	Resource(s)
8	**NERC Reliability Issues Steering Committee Collaboration**	• Provide input to existing risks, mitigation strategies, and emerging risk identification • Participate and support RISC activities and discussions	CCC Leadership, NERC Management
9	**ERO Enterprise Program Alignment**	• 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	CCC, Alignment Working Group, NERC Management
10	**Support of ERO Effectiveness**	• Complete development and implementation of stakeholder perception and feedback program • Support development efforts for assessments of ERO effectiveness • Periodically solicit input from the industry, including the Member Representatives Committee • Ensure that information gathered from industry provides insights useful to improve the efficiency and effectiveness of the ERO Enterprise programs • Evaluate results of assessments and provide recommendations for the ERO Enterprise and the BOT	CCC, EROMS, NERC Management
11	**Stakeholder Collaboration**	• 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 • Lead CCC task forces that are intended to provide guidance to ensure that CMEP impacts are fully considered in technical analyses being undertaken by other technical committees and the ERO Enterprise more generally	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 collaboration 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 regarding: (a) monitoring practices (as embodied in CCCPP-010 and also including assisting EROMS 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 of the criteria for approval to become an organization seeking to be pre-qualified to provide Implementation Guidance to the ERO Enterprise.

- Review the Board Compliance Guidance Policy with the MRC, provide stakeholder feedback on the programs and take associated actions to support improvements working in collaboration with NERC Management.

- Consider ROP changes to Section 500 and associated appendices due to changes with the Functional Model.

- Review and consider changes to Regional Entity Audits (Appendix 4A) and procedure implications to CCCPP-012.

- Continue to improve the CCC Webpage and communication with industry with additional outreach.

Project 2 – Program Support Efforts

- Support 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.

- Partner with ERO Enterprise in review of CMEP Practice Guides.
  - CCC Alignment Working Group (AWG) comments on CMEP Practice Guides, 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 rollout of Align tool related to program monitoring responsibilities.

- Participate on Align Users Committee (CCC Chair, CCC Vice Chair, AWG Chair)

Project 3 – Assist with Review of ORCP Information Cycle

- Provide additional guidance, as needed, to NERC Staff regarding the entity registration tool: Centralized Organization Registration ERO System (CORES).

- Review and provide suggestions for improvement to the 2021 Organization Certification Program activities.

Project 4 — NERC Self-Certifications

- In years where audits are not conducted, develop and update self-certification forms and request NERC self-certify adherence to the ROP for the following items:
    - Compliance Monitoring and Enforcement Program (CMEP),
    - Organization Registration and Certification Program (ORCP), and
    - Standards Development Program.
- 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 applicable CCC monitoring program documents and Sections 405/406/506 of the NERC ROP, work with NERC Internal Audit to execute audits of the following items:
    - Compliance Monitoring and Enforcement Program (CMEP),
    - Organization Registration and Certification Program (ORCP), and
    - Standards Development Program.
- Coordinate with NERC Internal Audit for CCC participation as audit observers.
- Review the final audit report and provide it to the EWRC.

Project 6 — Regional Entity CMEP Audits

- Work with NERC management (Internal Audit and Compliance Assurance) to develop criteria for future audits of Regional Entity CMEPs.
- At the discretion of the CCC, participate as an observer in Regional Entity CMEP audits executed by NERC's Internal Audit and Corporate Risk Management function, consistent with Appendix 4A of the ROP.
- Incorporate responsibilities captured in CCCPP-012 consistent with Appendix 4A of the ROP into the responsibilities currently captured in CCCPP-001, CCCPP-003 and CCCPP-007 for efficiencies in the processes working with NERC Internal Audit.

Project 7 — Enterprise-Wide Risk Committee Collaboration

- Provide input into NERC's annual risk assessment, as requested.
- Work with NERC to provide input on the annual EWRC Audit Plan.
- Provide an update of CCC activities at each quarterly EWRC meeting.

Project 8 — NERC Reliability Issues Steering Committee Collaboration

- Perform outreach 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 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 Align and CORES.

Project 10 — Support of ERO Enterprise Effectiveness

- Work with NERC Management and the SCCG to formalize the processes between the NERC standing committees to ensure that all NERC committees represent a continuous improvement loop in support of reliability and security.

- Lead efforts to develop a successor to the ERO Effectiveness Survey by soliciting input on objectives, content, and delivery of assessments of ERO effectiveness.

- Ensure that information gathered from industry provides insights that can be used to improve the efficiency and effectiveness of the CMEP.

- Evaluate results of assessments and provide recommendations for the ERO Enterprise and the BOT.

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.

- Strengthen partnerships with industry forums to work collaboratively toward consistent understanding of ERO Enterprise Programs and improvements to processes to strengthen reliability and security (NATF, NAGF, Regional Compliance Forums, Councils, Committees, etc.).

- Lead CCC task forces that are intended to provide guidance to ensure that CMEP impacts are fully considered in technical analyses being undertaken by other technical committees and the ERO Enterprise more generally.

Chapter 4: 2021 CCC Work Plan - Deliverables

The tables below summarize the list of CCC work plan deliverables for projects in 2021.

	Project Name	Deliverable	Schedule
1	**ERO Program Alignment**	• Periodic reports regarding the effectiveness of the ERO Program Alignment Initiative and Reporting Tool (with NERC management)	Q2 and Q4 2021 (AWG)
2	**Support of ERO Effectiveness**	• Develop and refine package of CCC-related materials that will serve as a replacement to the questions included in previous ERO Effectiveness Surveys	Q2 2021 (EROMS)
3	**NERC Self-Certifications**	• 2021 CMEP/ORCP/SPM Self-Certification Form to NERC, via direct communication from CCC Chair. Assuming no internal audit is conducted in 2021	Q2 2021 (EROMS)
4a	**Review and Update of CMEP and CCC Programs and Procedures**	• Update CCCPP-012 and other procedures identified for review with consideration to ROP changes and congruent with CCCPP-001, 003 and 007 • Formalize the process for CCCPP reviews, document management and practices.	Complete by end of 2021. Subcommittees will develop review schedule.
4b	**Review and Update of CMEP and CCC Programs and Procedures**	• Update ORCS Scoping Document	Q2 2021 (ORCS)
5	**Standards Efficiency Review Project**	• Continue to identify projects from Phase II work to be assigned to CCC for further consideration	Schedule based on timing of feedback from Phase II SER Team

	Project Name	Deliverable	Schedule
6	**Stakeholder Collaboration**	• With assistance from the CCC Task Forces, develop recommendations to address potential known or emerging risks considering industry concerns to promote solutions that strengthen reliability and security in a practical manner. Collaborate with NERC Standing Committees and ERO Enterprise leadership to facilitate solutions.	Q1-Q4 2021

Chapter 5: Logistics and NERC Budget Requirements for CCC Activities

The ongoing COVID-19 pandemic dramatically changed how the CCC performed its work in 2020. Uncertainty will continue in 2021 with respect to the types of meetings and the potential venues for CCC-related meetings. While we expect pandemic conditions to improve in 2021, travel restrictions will likely continue for an undetermined period of time. It is the intent of the CCC to ensure that all CCC members are able to fully participate remotely until health and safety conditions allow for a return to in-person meetings. To that end, CCC meetings and related activities will rely heavily on Webex and conference calls for some portion of 2021.

CCC Quarterly Meetings (Cost to be determined by NERC and industry)

Assumptions: Four CCC meetings per year, via Webex or in-person, depending on COVID-19 conditions

- 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

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

Assumptions: Conference calls, including CCC/Subcommittees NERC Webex or conference calls quarterly. Until COVID-19 conditions improve, committee will rely exclusively on Webex and conference calls to conduct business.

Training (Cost to be determined by NERC)

Assumptions: Half-day of hearing training appended to regular CCC meeting every other 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.