Summary

The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) is a NERC Board of Trustees (Board)-appointed stakeholder committee serving and reporting directly to the Board. The CCC is responsible for engaging with, supporting, and advising the Board and NERC regarding all facets of the NERC Compliance Monitoring and Enforcement Program (CMEP), Organization Registration Program (Registration program), and Organization Certification Program (Certification program). The CCC is also responsible for monitoring NERC’s adherence to the Reliability Standards development process and those standards applicable to NERC. In order to support this endeavor, the CCC has developed this annual work plan to identify the activities that the CCC intends to perform in 2014 to fulfill the responsibilities the Board has established for the CCC.

Revision History:

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<td>Revised to include NERC Staff input and additional CCC Ballot</td>
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<td>May 6-7, 2014</td>
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# Table of Contents

Summary .......................................................................................................................................................... 2

Revision History ............................................................................................................................................ 2

Table of Contents ......................................................................................................................................... 3

Executive Summary ....................................................................................................................................... 5

Oversight and Deliverables .......................................................................................................................... 6

Introduction .................................................................................................................................................. 10

CCC Organization ........................................................................................................................................ 11

  Organization Registration and Certification Subcommittee (ORCS) .......................................................... 11

  Standards Interface Subcommittee (SIS) and Procedures Subcommittee (PROCS) Consolidation to Form Compliance Processes and Procedures Subcommittee (CPPS) ......................................................... 11

  ERO Monitoring Subcommittee (EROMS) ................................................................................................. 12

  CCC Nominating Subcommittee ............................................................................................................. 12

  Key Responsibilities Not Assigned to Subcommittees ........................................................................... 12

Hearing/Mediation Responsibilities ............................................................................................................ 14

Meetings (2014) .......................................................................................................................................... 15

NERC Board of Trustee Assignments ........................................................................................................ 16

APPENDIX A - CCC Projects/Subcommittee Activities ............................................................................. 17

  Global CCC Projects/Activities ............................................................................................................... 17

  ORCS Activities ..................................................................................................................................... 17

  EROMS Activities (See Appendix B for Monitoring Plan) .................................................................. 17

  CPPS (SIS/PROCS) Activities ................................................................................................................. 18

  Reliability Assurance Initiative (RAI) Support Teams ....................................................................... 18

APPENDIX B - 2014 CCC Monitoring Plan ............................................................................................... 20

  Stakeholder Perceptions Survey ............................................................................................................ 20

  NERC Self-Certifications ......................................................................................................................... 20

  Enterprise-wide Risk Committee (EWRC) ......................................................................................... 20

Detailed Overview of Monitoring Activities ............................................................................................... 21

  Self-Certifications ................................................................................................................................. 21

  Audits /Reviews ..................................................................................................................................... 21

  Spot-Checks .......................................................................................................................................... 22

  NERC Audits of Regional Entities ......................................................................................................... 22

  Monitoring Stakeholder Perceptions .................................................................................................... 22

Appendix C - CCC Programs ...................................................................................................................... 24

  CCCPP-001: Monitoring Program for NERC’s Adherence to NERC’s ROP .............................................. 24

  CCCPP-002: Compliance Monitoring Program for Reliability Standards Applicable to NERC ............ 24

  CCCPP-003: Monitoring Program for NERC’s Standards Processes Manual .................................... 24
**Table of Contents**

- CCCPP-007: Monitoring Program for NERC’s Adherence to NERC’s ROP for Organization Registration and Certification ................................................................. 24
- CCCPP-008: Program for Monitoring Stakeholders’ Perceptions of NERC Compliance Program, Registration Program, and Certification Program ........................................... 24
- CCCPP-010: Criteria for Annual Regional Entity Program Evaluation ................................................................. 24
- Appendix D - Logistics and Budget Requirements for CCC Activities ................................................................. 25
- CCC Quarterly Meetings ................................................................................................................................. 25
- Hearings and Appeals ......................................................................................................................................... 25
- Mediation ........................................................................................................................................................ 25
- CCC Program Audits/Review ............................................................................................................................ 25
- WebEx/Conference Calls .................................................................................................................................... 25
- Stakeholder Perception Survey .......................................................................................................................... 25
- Training ............................................................................................................................................................ 25
Executive Summary

The purpose of this work plan is to identify the anticipated activities and deliverables of the CCC for the year 2014 and beyond. The plan is based on the responsibilities assigned to the CCC by the Board through programs 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 Strategic Plan 2014-2017.

There are four main project areas CCC activities will center on:

1. Core Function of CCC Oversight of ERO: As a committee providing support and advice, but otherwise independent of the execution of NERC CMEP, Registration program, and Certification program, and consistent with prior Federal Energy Regulatory Commission (FERC) Orders, the CCC will monitor NERC’s compliance with the Rules of Procedure (ROP) for these programs on an ongoing basis. In a similar manner, as a committee independent of the NERC Reliability Standards development process, the CCC will monitor NERC’s compliance with the ROP regarding the NERC Reliability Standards development process.

2. NERC’s Risk-based Registration project: Provide input and support into the design of NERC’s risk-based registration development. The CCC will assist in identifying modifications to the Statement of Compliance Registry Criteria and associated changes to the NERC ROP.

3. ERO’s Reliability Assurance Initiative (RAI): Participate and support RAI activities. The CCC will assist in the transition of compliance monitoring and enforcement processes that are risk-informed, efficient and effective.

4. Multi-region registered entity process: Perform outreach and support activities for ongoing NERC multi-region registered entity processes and enhancements.

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

- Organization Registration and Certification Subcommittee (ORCS)
- Standards Interface Subcommittee (SIS) and Procedures Subcommittee (PROCS), pending consolidation to form Compliance Processes and Procedures Subcommittee (CPPS)
- ERO Monitoring Subcommittee (EROMS)
- CCC Nominating Subcommittee
## Oversight and Deliverables

### Project Area: Core Function of CCC Oversight of ERO-Monitoring Plan

As a committee providing support and advice, but otherwise independent of the execution of NERC CMEP, Registration program, and Certification program, and consistent with prior FERC Orders, the CCC will monitor NERC’s compliance with the ROP for these programs on an ongoing basis. In a similar manner, as a committee independent of the NERC Reliability Standards development process, the CCC will monitor NERC’s compliance with the ROP regarding the NERC Reliability Standards development process.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Activities</th>
<th>Schedule</th>
<th>Resource(s)</th>
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</thead>
</table>
| 1. Stakeholder Perceptions Survey | • Conduct and prepare a summary report for the Board  
• Include lessons learned from the 2013 survey  
• Continue to refine the question and survey instrument | 1st and 2nd Quarters 2014 | EROMS, TalentQuest, and Jerry Hedrick (NERC) |
| 2. Independent Audit of Standards Applicable to NERC and the Standards Process Manual | • Develop criteria for audit  
• Provide subject matter experts to act as observers for audit  
• Review and accept audit report  
• Monitor mitigation of any non-conformance audit findings | 2nd and 3rd Quarters 2014 | EROMS, CCC, Mechelle Thomas (NERC), and independent audit firm |
| 3. NERC Self-Certifications | • Develop self-certification forms and request NERC to self-certify adherence with the ROP for the Compliance Monitoring and Enforcement Program (CMEP) and Organization Registration and Certification Programs (ORCP)  
• Prepare a summary report of the results of the submitted NERC Self-Certifications for the Board | 3rd and 4th Quarters 2014 | EROMS, CMMS, and Mechelle Thomas |
| 4. Enterprise-wide Risk Committee (EWRC) 2015 Work-Plan | • Provide input as requested by the EWRC | As requested | CCC Chair and Vice Chair, Mechelle Thomas (NERC), and EWRC |
## Project Area: Risk-based registration research and project support

Applicable ERO 2014-2017 Strategic Goal No. 2a: Compliance, Registration and Certification - The ERO registers entities commensurate with risk to the bulk power system and ensures all key reliability entities are certified to have essential capabilities. Coordination and Collaboration (Goal No. 5) – Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Activities</th>
<th>Schedule</th>
<th>Resource(s)</th>
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</thead>
<tbody>
<tr>
<td>5. Registration Steering Group</td>
<td>• Participation and support</td>
<td>Ongoing</td>
<td>CCC/ORCS representative</td>
</tr>
<tr>
<td>6. Risk-Based Registration Survey</td>
<td>• Develop questions</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; and 2&lt;sup&gt;nd&lt;/sup&gt; Quarters 2014</td>
<td>ORCS, CCC, Mark Lauby (NERC), Rebecca Michael (NERC), and Earl Shockley (NERC)</td>
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<tr>
<td></td>
<td>• Analysis of responses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Risk-Based Registration White-Paper</td>
<td>• Support and input on whitepaper outline</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; and 3&lt;sup&gt;rd&lt;/sup&gt; Quarters 2014</td>
<td>ORCS, CCC, Mark Lauby (NERC), Rebecca Michael (NERC), and Earl Shockley (NERC)</td>
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<tr>
<td></td>
<td>• Support and input on final whitepaper product</td>
<td></td>
<td></td>
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<tr>
<td>8. Risk-Based Registration Design and Implementation</td>
<td>• Participation and support</td>
<td>4&lt;sup&gt;th&lt;/sup&gt; Quarter 2014</td>
<td>ORCS, CCC, Mark Lauby (NERC), Rebecca Michael (NERC), and Earl Shockley (NERC)</td>
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<tr>
<td></td>
<td>• Participate in roll-out as requested</td>
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## Project Area: Reliability Assurance Initiative

Applicable ERO 2014-2017 Strategic Goal No. 3a and 3b: Compliance, Registration and Certification - Industry has effective procedures and programs to monitor, detect, correct, report, and prevent compliance, reliability, and security issues. All ERO compliance activities are risk informed, efficient and effective.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Activities</th>
<th>Schedule</th>
<th>Resource(s)</th>
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<tbody>
<tr>
<td>9. Internal Controls-Question and Answer Document</td>
<td>• Update the QA document upon completion of pilots and in response to stakeholder requests</td>
<td>Ongoing and 3&lt;sup&gt;rd&lt;/sup&gt; and 4&lt;sup&gt;th&lt;/sup&gt; Quarters 2014</td>
<td>CCC, CPPS, and Jim Armstrong (NERC)</td>
</tr>
<tr>
<td>10. Internal Controls Guide</td>
<td>• Update the document upon completion of pilots</td>
<td>Ongoing and 3&lt;sup&gt;rd&lt;/sup&gt; and 4&lt;sup&gt;th&lt;/sup&gt; Quarters 2014</td>
<td>CCC, CPPS, Tobias Whitney (NERC)</td>
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<tr>
<td></td>
<td>• Continue collecting examples of Internal Controls for inclusion in guide</td>
<td></td>
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<tr>
<td>11. RAI Data Retention and Sampling</td>
<td>• Support team responsible for developing the whitepaper based on survey results</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; – 4&lt;sup&gt;th&lt;/sup&gt; Quarters 2014</td>
<td>CCC, CPPS, and Ed Kichline (NERC)</td>
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<tr>
<td></td>
<td>▪ Share with NERC RAI leadership (May 2014)</td>
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<td></td>
<td>▪ Post paper for public comment (June 2014)</td>
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<td>▪ Make changes based on comments (June 2014)</td>
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<td>Oversight and Deliverables</td>
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<tr>
<td><strong>12. Communication Tools Redesign (RSAWs)</strong></td>
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<tr>
<td>- Support communications of potential ROP changes resulting from team results</td>
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<tr>
<td>- Draft supporting documents (e.g. process bulletin, audit handbook supplement)</td>
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<tr>
<td>- Update previously provided recommendations upon review and input from NERC and Standards Committee. Four initial areas of suggested improvement:</td>
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<tr>
<td>- RSAW Structure</td>
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<tr>
<td>- RSAW Use</td>
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<td></td>
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<tr>
<td>- RSAW Development</td>
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<tr>
<td>- Internal Controls application</td>
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<tr>
<td>- Support communications on RSAW processes and content development</td>
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<td></td>
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<tr>
<td>- Provide technical reviews where needed</td>
<td></td>
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<tr>
<td>- Ongoing</td>
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<td>- CCC, CPPS, and Matthew Gibbons (NERC)</td>
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| **13. Update criteria for assessing effectiveness of Regional Entity CMEP programs** |
| - After consultation with NERC, update CCCPP-010 to incorporate criteria that appropriately reflects expected program improvements resulting from RAI |
| - 4th Quarter (based on input from relevant NERC personnel on progress of RAI projects, either complete initial updating or begin updating) |
| - CPPS, CCC and Jerry Hedrick (NERC) |

| **14. Aggregation of Minimal Issues Pilot Program** |
| - CPPS to provide advisory input to NERC on conclusions drawn from pilot, as pilot will lead to program redesign and possible ROP changes |
| - TBD-NERC |
| - CPPS and Sonia Mendonca |
Project Area: Multi-region registered entity process

Applicable ERO 2014-2017 Strategic Goal No. 2a: Compliance, Registration and Certification - The ERO registers entities commensurate with risk to the bulk power system and ensures all key reliability entities are certified to have essential capabilities. Coordination and Collaboration (Goal 5) – Improve transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Activities</th>
<th>Schedule</th>
<th>Resource(s)</th>
</tr>
</thead>
</table>
| 15. Multi-Region Registered Entity Process | • Perform outreach efforts with stakeholders to determine continued need for this process or to assist with isolation of issues requiring resolution  
• Determine if guidance documents require adjustment for the current processes or identified areas requiring resolution | 2nd - 4th Quarters 2014 | ORCS, Mark Lauby and Earl Shockley (NERC) |
Introduction

In the capacity of a NERC Board-appointed stakeholder committee serving and reporting directly to the NERC Board under a NERC Board-approved charter,¹ and as approved by FERC² and as set forth in NERC’s ROP, the CCC will engage with, support, and advise the NERC Board and NERC Board of Trustees Compliance Committee (BOTCC) regarding all facets of the NERC CMEP, Registration program, and Certification program. As a committee providing support and advice, but otherwise independent of the execution of these programs, and consistent with prior FERC Orders, the CCC will monitor NERC’s compliance with the ROP for these programs on an ongoing basis. In a similar manner, as a committee independent of the NERC Reliability Standards development process, the CCC will monitor NERC’s compliance with the ROP regarding the NERC Reliability Standards development process.

The CCC provides for balanced discussion, commentary, and recommendations on compliance issues by bringing together a wide diversity of opinions and perspectives from NERC member sectors. Members are appointed to the CCC by the NERC 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 particular 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 represent the interests of the sector they represent, to the best of their ability and judgment.

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

In addition to certain core responsibilities, the CCC has established subcommittees and a working group to perform certain tasks on behalf of and under the supervision of the CCC. Key responsibilities of these subcommittees are outlined below.

Organization Registration and Certification Subcommittee (ORCS)

To fulfill its mission, the CCC has established the Organization Registration and Certification Subcommittee to perform the following tasks on behalf of and under the supervision of the CCC:

1. Advise and provide support to NERC and the Regional Entities with development and implementation of organization registration and certification processes (i.e., ROP 500 & Appendix 5);
2. Advise and provide ongoing support to NERC and the Regional Entities relating to approved organization registration and certification processes;
3. Evaluate the success and effectiveness of NERC and the Regional Entities’ administration of the organization registration and certification processes; and
4. Establish programs to monitor NERC and the Regional Entities’ implementation of the organization registration and certification processes.

Standards Interface Subcommittee (SIS) and Procedures Subcommittee (PROCS) Consolidation to Form Compliance Processes and Procedures Subcommittee (CPPS)

To fulfill its mission, the CCC has elected to consolidate the SIS and PROCS. The CCC envisions that this consolidation will: (a) address the increased volume of work associated with RAI, thereby facilitating NERC and CCC communications on key characteristics and activities associated with RAI during its development and once adopted into CMEP, and address NERC Management’s invitation to the CCC that it support NERC in the development and implementation of RAI; (b) lessen ERO and ERO Stakeholder administrative burdens by reducing the number of CCC Subcommittees; and (c) reflect a decreased volume of work associated with traditional PROCS and SIS activities. The key objectives of the CPPS are:

1. Perform document review to promote consistency between multiple documents (procedures, policies, standards, rules, orders, etc.) that comprise the overall NERC CMEP and to assure documents are clear, unambiguous, consistent and complementary, to advise the CCC of any deficiencies, and propose changes that it believes will clarify such situations. Activities may include, but are not limited to:
   a. Reviews of changes to the Rules of Procedure related to the Compliance Program, Registration program, and Certification Program.
   b. Proposals to change the Rules of Procedure related to the Compliance program, Registration program, and Certification Program.
2. Support the development and implementation of enhancements to the CMEP (including efforts as set forth in the CCC Work Plan) and provide this information to the CCC, applicable CCC subcommittees, and NERC.
3. Develop and maintain CCC operational procedures with respect to the CCC responsibilities under the CCC Charter;
4. Advise and prepare recommendations to the CCC to address any standards-related issues relevant to and within the scope of the NERC CCC (e.g. request from the Standards Committee, Standard Drafting Team, CCC, NERC Compliance Staff, stakeholders, etc.);
5. Act as liaison of the CCC to the NERC Standards Committee;
6. Implement CCC oversight (facilitating and participating as needed), in the development of the compliance administration elements (CAEs), including Reliability Standards Audit Worksheets (RSAWs), for new Reliability Standards under development or for revisions to existing Reliability Standards; and

7. Prepare and maintain guidance and other related documents and materials for the benefit of Standards Drafting Teams regarding the development of CAEs.

**ERO Monitoring Subcommittee (EROMS)**

To fulfill its mission, the CCC has established the EROMS to perform the following tasks on behalf of and under the supervision of the CCC:

1. Establish and implement programs to monitor NERC’s compliance with the Reliability Standards that apply to NERC;
2. Establish and implement programs to monitor NERC’s adherence to the ROP regarding the CMEP as specified in Section 405 of NERC’s ROP;
3. Establish and implement programs to monitor NERC’s adherence to the ROP regarding the Reliability Standards development process 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 NERC Standards Processes Manual as specified in Section 405 of NERC’s ROP;
4. Develop criteria for use by NERC for the annual evaluation of the goals, tools, and procedures of each Regional Entity compliance enforcement program in the determination of the effectiveness of each Regional Entity program as specified in Section 402.1.2 of NERC’s ROP;
5. Develop and implement methods to actively solicit information with respect to stakeholder perception of the procedures, policies, standards, rules, orders, etc., and the effectiveness of the NERC CMEP and Standards development activities, and provide this information to the CCC and applicable CCC subcommittees. An annual report on stakeholder perception is provided to the NERC Board; and
6. EROMS, in 2014, will continue working closely with the Enterprise-wide Risk Committee (EWRC) and NERC staff to implement these programs.

**CCC Nominating Subcommittee**

The CCC annually appoints a Nominating Subcommittee. The subcommittee consists of five members nominated by the committee chair and approved by the committee. The chair of the subcommittee will be selected by the CCC chair from among the five subcommittee members. Members of the Nominating Subcommittee prepare a slate of committee officer candidates for submission to the NERC Board for approval, and prepare a slate of recommended individuals to fill designated committee vacancies as required.

For the year 2014, the Nominating Subcommittee will continue to identify qualified candidates to submit to the NERC Board for approval for those industry sectors that require representation.

**Key Responsibilities Not Assigned to Subcommittees**

In addition to tasks assigned to subcommittees, the CCC, in general caucus, will continue to address certain key responsibilities. These responsibilities include, but are not limited to:

1. Provide comments to NERC with respect to stakeholders’ perception of the policies, practices, consistency, and effectiveness of the compliance, registration, and certification programs;
2. Recommend revisions to sections 400 and 500 (and their appendices) of the NERC ROP to the NERC Board, and provide comments to the NERC Board regarding the same when revisions are proposed by the Industry or NERC personnel;
3. Establish hearing bodies, as directed by the NERC Board, for any contest regarding findings of, or penalties or sanctions for, violation(s) of Reliability Standard(s) where NERC is directly monitoring the entity for compliance with those standards as described in the NERC ROP Section 409 (Registered entity by agreement with a Regional Entity or absent a delegation agreement; the Region itself where approved standards are applicable to the Region);

4. Establish hearing bodies with respect to registered entities Certification Appeals;

5. Serve as a mediator, as directed by the NERC Board, for any disagreements between NERC and the Regional Entities concerning NERC performance audits of Regional Entities’ compliance programs;

6. Observe Regional Entity compliance program audits that are conducted at least once every five years for each Regional Entity; and

7. The CCC will provide a representative to participate on the NERC Reliability Issues Steering Committee (RISC) with the CCC providing expertise and input as requested by said member.
Hearing/Mediation Responsibilities

The CCC will conduct hearings as necessary to fulfill its function of serving as the hearing body for any contest between NERC and a Regional Reliability Organization (RRO) or Regional Entity (RE) regarding NERC findings of penalties or sanctions for violation(s) of Reliability Standard(s) by the RRO or RE as described in the NERC ROP Section 409. Note: The CCC’s hearing procedures follow the hearing procedures mandated and approved by jurisdictional authorities for use by NERC and the REs in the compliance program.

The CCC will conduct hearings as necessary to fulfill its function of serving as a hearing body for any registered entity appeal regarding the determination that a registered entity is not qualified to be certified to perform the functional activities that require certification by NERC. Note: The Certification Appeal Hearing will be conducted on an expedited basis.

The CCC will conduct mediation activities when requested by the Board.

The CCC hearing and mediation procedures are described in the documents identified below and have been approved by FERC:

- CCCPP-004: CCC Hearing Procedures
- CCCPP-005: CCC Hearing Procedures for Use in Appeals of Certification Matters
- CCCPP-006: CCC Mediation Procedures
Meetings (2014)

CCC quarterly meetings (dates and locations tentative)

- March 11-12: Atlanta, GA (NERC Office)
- June 4-5: Juno Beach, FL (FPL host location)
- September 17-18: Vancouver, BC (Joint Standing Committees location)
- December 3-4: Phoenix, AZ (APS host location)

CCC subcommittees meet as needed. At a minimum, subcommittees meet the morning of the first day of CCC meetings.
NERC Board of Trustee Assignments

The CCC undertakes assignments from the NERC Board or the Board’s Committees related to compliance, organization registration, and organization certification.

The primary Board assignments for 2014 are:

- With the ERO undertaking an initiative to transform compliance monitoring and enforcement to processes that are more focused on the adequacy of internal reliability risk controls, the CCC can assist in this effort by gathering examples of internal and reliability risk controls from registered entities, documenting examples of quality programs and providing an update to the BOTCC as well as the NERC Board on the state and progress of the industry in this area. CCC support in encouraging the industry to participate in these efforts also would be very helpful.

- The CCC could continue to support the quality review process in standards development and input to RSAW development during standards development. The CCC could provide additional assistance by supporting voluntary compliance trials after the NERC Board has approved a standard and prior to the mandatory and effective date for such standard. This will provide an opportunity for industry to understand compliance obligations prior to the standard becoming enforceable.

- The CCC will provide support to NERC staff on the Risk Based Registration Initiative to identify modifications to the Statement of Compliance Registry Criteria and associated changes to the NERC Rules of Procedure.
APPENDIX A - CCC Projects/Subcommittee Activities

Global CCC Projects/Activities

- CCC and subcommittee member Audit Training.
- CCC Member Hearing Training.
- Perform a Self-Assessment of the CCC and its subcommittees by July 2014.
- Review and act (if appropriate) upon reports and recommendations provided by NERC and its other Standing Committees.
- Review and comment on FERC and NERC requests for information and comments.

ORCS Activities

- Provide industry perspective and actively participate in the creation of the Risk Based Registration Framework and associated criteria consistent with the developed RAI principles.
  - This will include identification or consideration of the following:
    - Removal of redundancies
    - Ensure adequate or completeness of coverage
    - Removal of complexity
    - Consistency in application
    - Revisions to guidance documents
- Multi-Region Registered Entity Process – Perform outreach efforts with stakeholders to determine continued need for this process or to assist with isolation of issues requiring resolution. Determine if guidance documents require adjustment for the current processes or identified areas requiring resolution.
- Provide assistance with Organization Registration and Certification activities related to NERC initiatives. Monitor initiatives for impacts to guidance documents (Rules of Procedure, Compliance Registry Criteria, etc.) to assure necessary modifications are identified and addressed as needed in a timely manner, i.e. the Bulk Electric System Definition project.

EROMS Activities (See Appendix B for Monitoring Plan)

- Develop reports for the CCC.
- Implement surveys, webinars, and conduct workshops as appropriate.
- Review the criteria for annual Regional Entity Evaluations and CMEP compliance audits in 2014. Suggest modifications to this program and criteria as appropriate.
- Complete and publish the 2013 Stakeholders Perceptions Survey Report, and prepare to conduct the next survey in early 2015.
- Provide input for the EWRC 2015 Work Plan.
- Work with NERC staff to review and revise CCC procedures related to EROMS assignments.
CPPS (SIS/PROCS) Activities

- Coordinate Reliability Standards Quality Reviews on behalf of the CCC.
- Coordinate activities to review and provide input to NERC on compliance administration resources developed by NERC.
- Continue to review and recommend comments for CCC on proposed changes to the ROP.
- Review and format new CCC Programs as needed and as resources allow pending future changes to ROP.
- Review existing CCC Procedures to support 2014 NERC Internal Audits and CCC oversight (i.e., CCCPP-005, CCCPP-006, CCCPP-008, CCCPP-009 and CCCPP-010), and identify any necessary work for 2014 to carry out these CCC Procedures.
- Review relationship between NERC’s RAI and ROP.
- Revise CCC Procedures to conform to the new monitoring model that includes NERC internal auditor and EWRC involvement. Receive reports from NERC on status and execution of RAI and to NERC from ad hoc Working Groups.
- Provide input on development of work plan related to RAI elements not part of Calendar Year 2013 RAI work effort.
- Assess how CMEP practices change after RAI is adopted in regards to: (a) monitoring practices (as embodied in CCCPP-010 and also including assisting EROMS in the annual Regional Entity Audit Criteria work); (b) enforcement; and (c) Standards development.

Reliability Assurance Initiative (RAI) Support Teams

- RAI Benefits:
  - Work with staff to provide recommendations and test approaches to take advantage of “low-hanging fruit” identified by stakeholders and NERC. Examples include:
    - Risk-focused monitoring and auditing
    - Expedited disposition approach for minor infractions
- RAI Internal Controls:
  - Work with NERC to evaluate pilots to implement a consistent approach to RAI in all Regions
  - Assist NERC in the implementation of the RAI by completing projects as requested by NERC
  - Review and revise the RAI Question & Answer Document as needed based on current RAI implementation status
  - Review and revise the RAI Internal Controls Guide as needed based on current RAI implementation status
  - Work with staff on a repository to deploy example controls for these high impact requirements
  - Work with staff to develop an information sharing site for application guidance and controls for other requirements
- RAI Data Retention and Sampling
- Draft data retention guidance and sampling documents based on responses to the team’s survey
- If not completed in 2013, draft and post conforming changes to the ROP

**RAI RSAW**
- Work to provide input on the content of the current RSAWs and how the RSAWs are used
- Focus on primary areas of concern, scope, and consistency
- Four initial areas of suggested improvement:
  - RSAW Structure
  - RSAW Use
  - RSAW Development
  - Internal Controls application
APPENDIX B - 2014 CCC Monitoring Plan

Stakeholder Perceptions Survey

- EROMS will conduct and prepare a summary report for the Board.
  - Include lessons learned from the 2013 survey
  - Continue to refine the question and survey instrument

NERC Self-Certifications

- EROMS will request NERC to self-certify adherence with the ROP for the following areas:
  - Compliance Monitoring and Enforcement Program (CMEP)
  - Organization Registration and Certification Programs (ORCP)
- EROMS will prepare a summary report of the results of the submitted NERC Self-Certifications for the Board.

Enterprise-wide Risk Committee (EWRC)

- The CCC Executive Team will coordinate with the EWRC to determine the use of Spot-Checks of NERC processes in 2014 for those areas for which the CCC is responsible for monitoring in coordination with the EWRC.
- The CCC Executive Team will coordinate with the EWRC to determine the use of a third party to conduct audits of the standards applicable to NERC and the Standard Process Manuel in 2014.
Detailed Overview of Monitoring Activities

In pursuit of its responsibilities, the CCC will mirror the monitoring approaches used by the ERO. To the extent NERC self-reports issues and develops sound internal controls, the approaches to monitoring outlined below will be adjusted.

**Self-Certifications**

In accordance with CCCPP-001, the EROMS will review and modify (if necessary) the subset of performance items related to the ROP for the CMEP. The CCC will then request that NERC self-certify adherence to ROP for the CMEP, with respect to the subset of performance items, by providing the CCC with a report at its regularly scheduled September 2014 meeting.

In accordance with CCCPP-007, the ORCS will review and modify (if necessary) a subset of performance items related to the ROP for Organization and Registration. The CCC will then request that NERC self-certify adherence to the ROP for Organization Registration and Certification, with respect to the subset of performance items, by providing the CCC with a report at its regularly scheduled September 2014 meeting.

The two reports described above will be in the form of a presentation provided by a NERC officer or equivalent responsible for ensuring adherence to the above identified four elements of the ROP. The presentation will identify adherence to the rules as well as any areas of non-adherence. The CCC will include the results of the self-certifications in these four areas in a report to the Board.

**Audits/Reviews**

In accordance with CCCPP-001, the CCC will perform an audit/review of NERC’s adherence with the ROP for Compliance Monitoring and Enforcement every three years. Additionally, an unscheduled audit/review may be initiated by the CCC if deemed necessary to determine NERC’s adherence with the ROP for compliance enforcement or to review deficiencies from previous audits.

In accordance with CCCPP-003, the CCC will perform an audit/review of NERC’s adherence with the NERC Standards Processes Manual every three years. Additionally, an unscheduled audit/review may be initiated by the CCC, if deemed necessary, to determine NERC’s adherence with the NERC Standards Processes Manual. The audit/review team will develop a draft review report, review it with NERC, make any necessary changes, and then prepare a final report to be submitted to the CCC. The CCC will review/assess the report and provide NERC a final copy. The CCC will advise the NERC Board of any Preliminary Adverse Findings and include the results of the audit/review in the report to the Board. Based on the experience of the 2012 audits, the CCC Executive Team will coordinate with the NERC Board EWRC to determine the use of a third party audit of Reliability Standards development in 2014.

In accordance with CCCPP-007, the CCC will perform an audit/review of NERC’s adherence with ROP for Organization Registration and Certification every three years. Additionally, an unscheduled audit/review may be initiated by the CCC, if deemed necessary, to determine NERC’s adherence with the ROP for Organization Registration and Certification. The audit/review team will develop a draft review report, review it with NERC, make any necessary changes, and prepare a final report to be submitted to the CCC. In accordance with CCCPP-001, the CCC may initiate an Adverse Finding Investigation, at any time, as directed by the Board or based on an event, complaint, or other possible Adverse Finding identified by any other means. Adverse Finding Investigations will follow the processes outlined in a Compliance Program Audit.

In accordance with CCCPP-003, the CCC may initiate a Standards Development Process Review Investigation, at any time, as directed by the Board or in response to a complaint or evidence that NERC has not adhered to the

In accordance with CCCPP-007, the CCC may initiate an Organization Registration and Certification Investigation as directed by the Board, or at any time in response to a complaint or evidence that NERC has not adhered to the ROP for Organization Registration and Certification. Adverse Finding Investigations will follow the processes outlined for a Registration and Certification Program Audit.

**Spot-Checks**

In accordance with CCCPP-001, the CCC may from time-to-time perform spot-checks to determine whether NERC is adhering and/or has adhered to the ROP for Compliance Enforcement. Spot-checking may also be initiated in response to a directive from the Board or to events or a complaint. Results of spot-checks will be provided to NERC and will be reported to the NERC Board.

In accordance with CCCPP-003, the CCC may from time to time perform spot-checks to determine whether NERC is adhering and/or has adhered to the Reliability Standards development process. Spot-checking may also be initiated in response to a directive from the Board or to events or a complaint. Results of spot-checks will be provided to NERC and will be reported to the NERC Board.

In accordance with CCCPP-007, the CCC may from time to time perform spot-checks to determine whether NERC is adhering and/or has adhered to the ROP for Organization Registration and Certification. Spot-checking may also be initiated in response to a directive from the Board or to events or a complaint. Results of spot-checks will be provided to NERC and will be reported to the NERC Board.

The CCC Executive Team will coordinate with the NERC Board EWRC to determine the use of spot-checks of NERC processes in 2014.

**NERC Evaluation of Regional CMEP Implementation**

The CCC developed the CCCPP-010 – Criteria for Annual Regional Entity Program Evaluation that, per Rule of Procedure 402.1.2, establishes criteria for NERC to use in order to “annually evaluate the goals, tools, and procedures of each Regional Entity Compliance Monitoring and Enforcement Program to determine the effectiveness of each Regional Entity Compliance Monitoring and Enforcement Program.” In 2014, the CPPS is expected to update CCCPP-010, and, as was the case in the original development of CCCPP-010, intends to collaborate with NERC Compliance Operations on developing the Criteria.

**Monitoring Stakeholder Perceptions**

As stated in the CCC Charter in Section 3, Committee members are expected to represent the interests of the sector they represent, to the best of their ability and judgment. Members are expected to solicit comments and opinions from constituents and groups of constituents, or trade organizations represented by the member and convey them to the CCC. During 2014, committee members will participate in documenting comments to the CCC, with respect to stakeholders’ perception of the policies, practices and effectiveness of the CMEP, Registration Program, and Certification Program. The EROMS will lead, direct, and initiate these reviews and surveys of CCC members and provide recommendations for consideration to NERC.

The CCC has developed the Program for Monitoring Stakeholders’ Perceptions of NERC CMEP, Registration Program, and Certification Program. An element of this program expected to be carried out in 2014, in addition to obtaining direct feedback from committee members, will include conducting surveys of stakeholders in the second half of the year. Depending upon the level and nature of the feedback gathered, additional elements of
the program may include seeking stakeholder feedback in a CCC-sponsored segment contemporaneous with Regional Entity Compliance Workshops or in conjunction with existing stakeholder compliance working groups. Part of the communication provided in advance would include the explanation of the roles/functions of the CCC, the survey elements being considered, and the manner for providing a feedback report to the Board and the stakeholders. Additional methods of communicating with stakeholders may include providing information regarding the survey in NERC News and direct e-mails to stakeholders.

An important element of the program will be an annual report, presented to the CCC for approval to forward to NERC, the Board, and the stakeholders, as well as quarterly stakeholder perceptions reports to the CCC. Specifically, the NERC BOTCC has asked that the CCC take the lead on analysis of the perception survey responses, refining issue identification, developing possible action plans with industry input, facilitating development of alternatives, and making recommendations to the NERC staff or Board.

In addition to the annual perception survey, the CCC will hold a member roundtable at each CCC meeting. During the roundtable, the members are expected to raise issues, observations and concerns of their stakeholders. The CCC will capture issues raised and work with staff to resolve them as they arise.

Longer term activities, beyond 2014, may include mechanisms for the CCC to directly receive feedback from stakeholders following audits and any of the other effectiveness monitoring inputs or evaluations surrounding the effectiveness metrics endorsed in CCCPP-008.
Appendix C - CCC Programs

The CCC has established several programs to fulfill its obligations. Many of these will be coordinated with the NERC Director of Internal Audit. These programs include specific monitoring activities such as periodic on-site audits/reviews, NERC Self-Certifications, CCC Spot-Checks, CCC Adverse Finding Investigations, NERC Self-Reporting, Periodic Data Submittals, and CCC Review of Stakeholder Complaints. As resources allow, audits and spot-checks may be conducted by independent contractors. The programs are described below.

**CCCPP-001: Monitoring Program for NERC’s Adherence to NERC’s ROP**
This program has been established so that the CCC can monitor NERC’s adherence to its ROP for Compliance Enforcement. The NERC CCC EROMS will coordinate this effort.

**CCCPP-002: Compliance Monitoring Program for Reliability Standards Applicable to NERC**
This program has been established so that the CCC can monitor NERC’s adherence to NERC Reliability Standards applicable to NERC. The CCC will use a variety of activities to perform the monitoring. The NERC CCC EROMS will coordinate this effort.

**CCCPP-003: Monitoring Program for NERC’s Standards Processes Manual**
This program has been established so that the CCC can monitor NERC’s adherence to its ROP concerning Reliability Standards development. The NERC CCC EROMS will coordinate this effort.

**CCCPP-007: Monitoring Program for NERC’s Adherence to NERC’s ROP for Organization Registration and Certification**
This program has been established so that the CCC can monitor NERC’s adherence to its ROP for Organization Registration and Certification. The NERC CCC ORCS will coordinate this effort.

**CCCPP-008: Program for Monitoring Stakeholders’ Perceptions of NERC Compliance Program, Registration Program, and Certification Program**
This program has been established so that the CCC can gather and report to the Board, stakeholder perceptions with respect to NERC’s CMEP, Organization Registration Program and Certification Program and the way the programs are administered. The NERC CCC EROMS will coordinate this effort.

**CCCPP-010: Criteria for Annual Regional Entity Program Evaluation**
This program has been established to identify the criteria by which these audits are conducted, provide a guidance letter to NERC regarding these criteria, and document the process for the CCC to annually review and affirm these for use. The NERC CCC EROMS will coordinate this effort.
Appendix D - Logistics and Budget Requirements for CCC Activities

Listed below are items identified by the CCC that NERC should take into account with respect to costs NERC will incur concerning CCC activities for 2014-2016.

**CCC Quarterly Meetings (Cost to be determined by NERC)**
Assumptions: Four CCC meetings per year
- NERC staff attendance
- NERC travel expenses
- Hotel (Conference Rooms and Food)

**Hearings and Appeals (Cost to be determined by NERC)**
Assumptions: One hearing or appeal in 2014
- Administrative Law Judge’s fee
- Hearing refresher training
- Transcription costs
- Travel expenses

Notes:
The CCC conducted hearing training in 2012. It is recommended that training be conducted in 2014 for those CCC members that have not received training or for those that request refresher training.

CCC will notify NERC and the Board if additional hearings are expected.

**Mediation (Cost to be determined by NERC)**
Assumptions: No mediations expected, but noted here as a placeholder
- Mediator fee and travel expenses

**CCC Program Audits/Review**
Assumptions: Audit/Review Independent Contractor $125,000 annually
- Audit periodicity will increase as NERC internalizes monitoring capability, based upon recommendations of independent reviewer.

**WebEx/Conference Calls (Cost to be determined by NERC)**
Assumptions: Three CCC/Subcommittees NERC Web-Ex or conference calls quarterly

**Stakeholder Perception Survey (Cost to be determined by NERC)**
Assumptions: At the request of the NERC Board, the CCC engaged a professional survey firm to conduct stakeholder perception surveys.

**Training (Cost to be determined by NERC)**
Assumptions: Half day of hearing training appended to regular CCC meeting every even year.
- Five to ten CCC members will attend NERC auditor training annually.