

# Facility Ratings Task Force Scope

June XX, 2020

## Purpose

The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) has a role to provide stakeholder feedback to the Electric Reliability Organization (ERO) related to Enterprise Programs, Standards adherence and Enterprise Tools. The NERC CCC Facility Ratings Task Force (FRTF) will execute the CCC role to address potential concerns with the FAC-008, Facility Ratings Standards. The potential concerns may relate to industry's processes and procedures to meet compliance obligations, compliance oversight discussion, risk assessment and analysis, and enforcement program actions. The FRTF will come alongside the ERO to perform industry outreach and solicit feedback through December 2020. If the FRTF extends beyond this date, the CCCEC will evaluate the scope and work with the FRTF to determine appropriate actions.

## Roles and Activities

Facility Ratings continue to be a source of discussion in the industry related to operational performance, enforcement actions and regulator views about future considerations. Future considerations related to facility ratings are more complex and consider use of utility assets in different manners as compared to a historical view. In order to effectively accommodate that type of conversation, the industry needs to assess the current processes and expectations to ensure the "basics" are covered. The CCC, in its role obtaining stakeholder engagement and feedback, will delegate responsibility to the FRTF to carry out activities to:

- Provide information to industry on the issues,
- Support industry readiness and success on this topic,
- Foster and facilitate discussions around the issues, risk and potential mitigations or course corrections, and
- Gather industry feedback around recommended solutions that are actionable by either registered entities or industry groups (membership forums, trade associations, technical committees, etc.).

The FRTF will report its work and deliverables to the CCC, and the CCC maintains ultimate responsibility for decisions and recommendations to NERC.

The FRTF will provide suggestions on issues for discussion and recommendations to NERC as follows:

- Industry's perspective related to the ERO Problem Statement around facility ratings,
- Gather detailed information on the Facility Rating performance issues.

- Identify support needs and use CCC subcommittees or individual members that have the expertise to review the issues.
  - Reach to industry for input on potential readiness issues (e.g., trade associations, membership organization, compliance forums, registered entities, etc.).
  - Initiate or request FRTF discussions as issues are identified.
  - Identify issues representing specific concerns quickly and facilitate swift resolution or communications.
- Evaluate options for industry outreach.
  - Develop suggested recommendations related to the issues.
  - Present work outcomes to the CCC for awareness.
  - Determine appropriate path for recommendations to be considered and action taken.

## **Membership**

The FRTF membership will be comprised of those CCC members and observers appointed by the CCC Chair. It is desired and highly encouraged that NERC and Regional Entity management participate.

1. Composition
  - a. CCC Members
  - b. CCC Active Participants (Observers)
  - c. CCC Chair
  - d. CCC Vice Chair
2. Leadership
  - a. A Chair will be appointed from the FRTF membership.
3. Observers
  - a. The FRTF Chair may invite observers to participate in meetings, which may include additional NERC or Regional Entity staff, as well as other CCC members (e.g., CCC subcommittee representatives). Observers may actively participate in the discussion and FRTF deliverables.

## **Meetings**

The FRTF meetings will be scheduled based on workload, as determined by the members. Due to the short duration of the FRTF, it is likely meetings will be monthly and will be conducted by conference call. Meetings may also occur in conjunction with the regular CCC meetings. The FRTF meetings will be open to other participants. The FRTF Chair will approve this participation and work with the CCC Chair for any necessary appointments.