NERC Reliability Risk Control Process

SC/OC/PC/CI PC/CCC Update

Note: This process is still in development and may change based on feedback.
• Reliability Risk Analysis and Control
  - The “Project Management Office” for Risk Control Projects

**Introductions**

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*Director of Reliability Risk Analysis and Control*  
Primary contact for the Reliability Issues Steering Committee, RISC  
Certified Project Manager

**Margaret Pate, PE**  
*Reliability Risk Control Program Liaison*  
Primary contact for Reliability Risk Control Projects  
Project Management Professional Certified Six Sigma Green Belt
Why do we need a Reliability Risk Control Process?

- To ensure the analysis of reliability risk is incorporated into NERC business planning activities
- So that all stakeholders share a common vision for improving and maintaining reliability
- To establish a structured, repeatable, and well-understood process for NERC to:
  - Identify and gather information about reliability risks
  - Prioritize activities to address those risks
  - Align resources (internal and external) to support those activities
  - Manage the execution of those activities
  - Measure performance to ensure risks are being managed
GOALS

• Capitalize on the strengths and expertise of stakeholders and the ERO model
• Describe the entire process
  ▪ Identification and selection of risks
  ▪ Refining of Scope
  ▪ Business planning
  ▪ Control development
  ▪ Maintenance
• Address reliability problems by bringing the various parts of the ERO together to implement a coordinated strategy
Collect Information and Prioritize Risk Areas

- Long-Term Reliability Assessment
- Annual Compliance Monitoring and Enforcement Report
- State of Reliability Report
- Reliability Risk Management Updates
- Critical Infrastructure Protection Updates
- Additional input from RISC Members, Staff, Observers

Leadership Summit

RISC

Proposed ERO Reliability Priorities
Initial Analysis
Selecting and Scoping Projects

Board-endorsed ERO Reliability Priorities

- RRM and the Operating Committee
  - Risk Areas expected to be addressed through operational activities

- RAPA and the Planning Committee
  - Risk Areas expected to be addressed through planning and design activities

- CID and the Critical Infrastructure Protection Committee
  - Risk Areas related to protection of assets from damage or misuse

RELIABILITY RISK CONTROL PROJECT PROPOSAL

- Problem Statement
- Project Goals
- Project Objectives
- Measures and Indicators of Success
Collaborate on Control Design

OBJECTIVE: Industry-wide alignment on the elements of each proposed Risk Control Project

RELIABILITY RISK CONTROL PROJECT PROPOSAL

Problem Statement
Project Goals
Project Objectives

Measures and
Indicators of Success

CONTROL STRATEGY
Develop and Transition Controls

**PROJECT DESCRIPTION**
- Problem Statement
- Project Goals
- Project Objectives

- Measures and Indicators of Success

**CONTROL STRATEGY**

**STANDING COMMITTEES**
- NERC Staff

**THIRD PARTIES** (E.G., FORUMS, REGULATORS, OTHERS)

**Control Deliverables**
- Standards, Guidelines, Lessons Learned, Section 1600 Data Requests, Information Requests, Press Releases, NERC Newsletter, Training, Webinars, NERC Alerts, NERC Advisories, Technical Conferences, etc...

**TRANSITION INTO SUSTAINABLE OPERATIONS**
- Standing Committees
- Third Parties
- Standards
- Critical Infrastructure Protection
- Compliance
- Training
- Reliability Assessments and Performance Analysis
- Reliability Risk Management
### Conceptual Documents

**ERO Reliability Priorities**
- Developed by RISC
- Contains List of Risk Areas, other recommendations

**Analysis of Reliability Risks**
- Includes Specific Reliability Risks Identified by Technical Committees for action
- Developed by Staff and Technical Committees

**Project Analysis and Evaluation**
- Prepared by staff

**Business Plan and Budget**
- New section listing Risk Projects and rough estimates of schedule and resources
- Assembled and prepared by staff

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**Scope and Measures**
- Developed by Staff and Technical Committees

**Control Strategy**
- Developed by Staff and Standing Committees

**Risk Control Project Report**
- Assembled and maintained by staff
What does this mean for the Standing Committees?

• The technical expertise of the OC, PC, and CIPC will play a critical role in defining WHAT the ERO tries to address
  - Continued emphasis on research, guidelines, analysis, expert advice
  - No more whitepapers dropped during the handoff

• The knowledge of the OC, PC, and CIPC will combine with the process expertise of the SC, CCC, and PCGC to help define HOW we address those issues
  - Emphasis on using the right tools to get the job done – not just the first or most familiar tool in the tool box
  - When we use standards or compliance, ensure that we do so as effectively and efficiently as possible

ONE COMMON VISION FOR IMPROVING AND MAINTAINING RELIABILITY
• This seems like a lot of overhead for activities that could be really small.
  ▪ This process only addresses projects that require resourcing of a year or more.

• **When does this start?**
  ▪ The development of the 2015 Business Plan will incorporate some of these concepts; however, full integration is not expected until the 2016 Business Plan. The leadership summit this October is the first official step.

• **It seems like there isn’t much time between the August Board Meeting and the initial activities for the annual development of the Business Plan.**
  ▪ Agreed. There may be a need to consider adjustments to ensure the committees can effectively offer their input into the process.

• **How does this relate to the Reliability Standards Development Plan, the Committee Strategies, and similar documents?**
  ▪ This should inform, but not replace, those documents. From a timing perspective, there may be a need to consider shifting when certain activities occur.
Questions and Answers