COVID-19-Related Activities

Teresina Stasko, Assistant General Counsel and Director of Enforcement, NERC
Steven Noess, Director, Regulatory Programs, NERC
Compliance Committee Open Meeting
November 3, 2021
• Temporarily expanded Self-Logging Program for COVID-19
  ▪ Applies to minimal and moderate risk
  ▪ No further action for properly logged noncompliance
• Deferred On-site audits and certifications Expires December 31, 2021
• Link to Guidance
Approach for Resuming On-site CMEP and Certification Activities

- Resume on-site activities on a case-by-case basis, prioritizing health and safety in a risk-informed manner
- Evaluate federal, state/provincial, and local guidance and conditions, along with registered entity facts and circumstances
- Hybrid or partial on-site activities
- ERO Enterprise remains closely and regularly coordinated for harmonized application and outreach, and it will communicate regularly with industry as situation evolves
Questions and Answers
Facility Ratings Activities

Tim Ponseti, VP Operations, SERC
Steve Goodwill, Sr VP Reliability & Security Oversight, General Counsel, WECC
Teresina Stasko, Assistant General Counsel and Director of Enforcement, NERC
Steven Noess, Director, Regulatory Programs, NERC

Compliance Committee Open Meeting
November 3, 2021
• To ensure a reliable and secure bulk power system, it is important that registered entities have strong and sustainable Facility Ratings programs

• Facility Ratings play a significant role in planning and operating the bulk power system

• The results of incorrect Facility Ratings may include operating in an unknown state and uncontrolled widespread service outages and/or fires
• CMEP activities indicated widespread discrepancies
  ▪ Documented Facility Ratings versus actual field conditions
  ▪ Increased risk to bulk power system reliability
  ▪ Performance correlation between strong entity controls and proactive field validation

• CMEP Implementation Plan

• ERO Enterprise CMEP Practice Guide (published Q2 2020)
Call to Action

• Preventative
  ▪ Outreach and education around risk
    o ERO Enterprise CMEP Practice Guide (published Q2 2020)
    o Workshops
    o Newsletters
  ▪ Engage with industry
  ▪ Examine current standards for potential adjustments

• Assessment
  ▪ Current conditions
  ▪ Recent monitoring

• Recovery
  ▪ Sharing practices
  ▪ Enhanced mitigation activities
• Support development and sustainment of registered entity risk-based Facility Ratings programs and resolution of Facility Ratings noncompliance using existing tools

• Registered entities should develop or continue approaches for self-assessment and risk-based prioritization
  ▪ Align compliance with operations
  ▪ Report and mitigate

• Risk-based CMEP well-equipped to evaluate and process lower risk discrepancies for entities who self-evaluate today

• Future discrepancies will be evaluated by ERO Enterprise to consider, among other things, inaction or ineffective implementation
Questions and Answers
2022 CMEP Implementation Plan

Kiel Lyons, Senior Manager, Compliance Assurance
Compliance Committee Open Meeting
November 3, 2021
Implementation Plan Background

• Purpose of the Compliance Monitoring and Enforcement Program (CMEP) Implementation Plan (IP)
  - Annual CMEP-related operating plan for NERC and Regional Entities
  - Risks that will be priorities for ERO Enterprises CMEP activities

• Timeline
  - NERC provides initial draft to Regional Entities on or about September 1 of preceding year
  - NERC posts IP with links to regional schedules in November
  - Updates may occur throughout year
• Risk Element Characteristics
  ▪ Data-driven & expert judgement of ERO Enterprise staff
  ▪ Use of ERO Enterprise publications
  ▪ Identify and prioritize continent, interconnection, and region-wide risks to the reliability of the BPS
  ▪ Not a representation of all important Reliability Standard requirements or risks for registered entities
• CMEP staff intended use
  ▪ Focus compliance monitoring and enforcement activities
  ▪ Messaging to industry on areas of emphasis for CMEP activities

• Registered entity intended use
  ▪ Used in conjunction with entity-specific COP
  ▪ Consideration in compliance operations focus
  ▪ Enhance internal controls
• Continued emphasis on focus and usability
• Risk Elements reflect a combined ERO Enterprise view
  ▪ Focused to increase relevance to impacted registered entities
  ▪ Reflects high level priorities for CMEP
  ▪ Relevance based on registered entity’s facts and circumstances
COVID-19

- Summary of industry guidance
- Prioritize monitoring activities and risks that benefit the most from on-site components when conditions allow
- Risks reflected in Risk Element write-ups
- ERO Enterprise may consider reviewing requirements related to personnel training
### Table 2: 2022 Risk Elements

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<thead>
<tr>
<th>Risk Element</th>
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<tbody>
<tr>
<td>Remote Connectivity</td>
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<td>Supply Chain</td>
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<td>Models Impacting Long-term and Operational Planning</td>
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<td>Gaps in Program Execution</td>
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<tr>
<td>Protection System Coordination</td>
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<tr>
<td>Extreme Events</td>
</tr>
</tbody>
</table>
• 2022 ERO Enterprise CMEP IP:

Questions and Answers