Compliance Monitoring and Enforcement Program

Q1 2017

Sonia Mendonça, Vice President, Deputy General Counsel, and Director of Enforcement

Andrea Koch, Senior Director of Reliability Assurance

Compliance Committee Open Meeting

May 10, 2017
• Four Notices of Penalty involving vegetation management, load shedding, and loss of system monitoring were filed.

• The Electric Reliability Organization (ERO) Enterprise alignment regarding approaches to penalties, risk assessment, and mitigation continues:
  ▪ Guidance, training, and review of case studies.

• The Self-Logging process review concluded and next steps are underway:
  ▪ Streamlining of processes, and
  ▪ Additional outreach.
The Petition to FERC for enhancements to Self-logging Program and Compliance Exceptions was filed:

- Eliminates public posting of self-logged Compliance Exceptions, and
- Allows moderate Compliance Exceptions.

Joint annual review with FERC staff of Find, Fix, Track, and Report and Compliance Exceptions is underway.

Mitigation completion rates remain an area of focus:

- Over 99% of violations discovered in 2014 and prior have been mitigated.
- The average age of violation in inventory is under seven months.
- Self-identification of violations increased to 89.9%.
• Inherent Risk Assessment Completion:
  - Completed for all Balancing Authorities, Transmission Operators, and Reliability Coordinators.

• Internal Controls Implementation:
  - Focus on enhancing processes for conducting reviews of internal controls during Compliance Monitoring and Enforcement Program (CMEP) activities, such as audits.
Coordinated Oversight

- Multi-Region Registered Entities (MRREs) Participant Survey
- ERO Enterprise Procedure for MRRE’s in Coordinated Oversight
- Data Submittal Schedule
- Coordinated Oversight MRRE Frequently Asked Questions
• The Nuclear Energy Institute was approved as a pre-qualified organization.

• Implementation Guidance
  - 18 Endorsed, 7 Non-Endorsed, and 4 Open

• CMEP Practice Guides
  - Phased Implementation Plans with Completion Percentages

• How to Develop Implementation Guidance Webinar

• Inventory of Implementation Guidance Under Development

• Retired Implementation Guidance Webpage Update
- High percentage of CIP Version 5 possible non-compliance self-identified
- Remote access study
- Physical Security effectiveness report
- Emerging Technology Roundtable
- Industry Outreach
Questions and Answers