

2016 Accountability Matrix - Business Plan and Budget Items

Policy Input Area	Comment Topic	Date	Source	Comment Summary	NERC Response/Notes
2017 Business Plan and Budget	Process	February 2016	NPCC	NPCC recommends a modification of the NERC Cost Allocation Policy to incorporate a U.S.-only funding methodology for efforts and costs related to the Clean Power Plan assessments or other country or interconnection specific activities.	NERC will consider in its business plan and budget review process.
2017 Business Plan and Budget	Program metrics	February 2016	ISO/RTO	In the risk-based CMEP implementation area, encourage NERC to work with the Compliance and Certification Committee (CCC) to identify impediments to the self-logging process and identify improvements that can be implemented in 2016. NERC should also develop metrics to monitor the progress of entities entering the self-logging program.	NERC has worked with the CCC on metrics for self-logging and is using those metrics. NERC is also doing a qualitative review of the program this year in conjunction with FERC staff.
2017 Business Plan and Budget	Regional oversight	February 2016	MRO	As the ERO develops the 2017 BP&Bs, the MRO Board encourages establishing a NERC Field Operations Group to coordinate, collaborate and oversee the business of executing these delegated functions.	NERC does not envision structural changes at this time, but remains committed to continuing to improve the coordination, collaboration and execution of NERC and Regional Entity responsibilities in connection with delegated functions.
2017 Business Plan and Budget	Registered entity standards implementation support	February 2016	CEA	Compliance Assurance ranks as one of the top-funded line items in NERC's BP&B. CEA therefore encourages NERC to demonstrate in its 2017 BP&B how resources will continue to bolster activities intended to support registered entity compliance - especially in view of past experience with and imminent implementation deadlines for challenging, complex standards (i.e., CIP V5).	NERC and the Regional Entities are committed to providing necessary support to registered entities in these areas. Their business plans and budgets will further describe the key activities which will be undertaken to provide necessary training, outreach and support.
2017 Business Plan and Budget	Corporate Metrics	February 2016	SM-TDUs/APPA/TAPS/LPPC	Recommend that NERC combine the "Changing Resource Mix" and "Risks in Resource Planning" projects into a single strategic initiative focused on the impact of statutory and regulatory requirements that affect resource planning and reliable operations.	Will be considered in connection with the development of the 2017-2020 Strategic Plan.
2017 Business Plan and Budget	Efficiencies from program area transformations	February 2016	CEA	The 2017 BP&B should clearly identify the lasting efficiencies and savings which will be accrued under transformation to risk-based programs and "steady-state."	Text on this topic will be included in the draft 2017 BP&B. BES reliability is the primary objective of risk based initiatives.

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2017 Business Plan and Budget	Efficiencies from program area transformations	February 2016	EEl	Development of the 2017 business plan and budget should include careful consideration to ensure sustainable efforts in standards development, and compliance and enforcement, recognizing these two program areas have matured and stabilized.	Text on this topic will be included in the draft 2017 BP&B.
2017 Business Plan and Budget	Format/Structure	February 2016	CEA	CEA appreciated inclusion of the pie chart analysis and expense breakdown by program area in the 2016 BP&B materials presented to the Board Finance and Audit Committee in August 2015. CEA encourages a similar approach in the 2017 BP&B itself, illustrating programs and activities across the ERO.	Additional pie chart analysis will be included in the 2017 BP&B.
2017 Business Plan and Budget	Funding allocation	February 2016	CEA	CEA wishes to reiterate its prior request that NERC first seek efficiencies within the existing NERC budget as a means to fulfill incremental E-ISAC resource needs (if any).	Text on this topic will be included in the 2017 BP&B. NERC is committed to considering opportunities for further efficiencies and cost reductions prior to proposing incremental resource additions.
2017 Business Plan and Budget	IT spending	February 2016	CEA	CEA recommends that NERC improve disclosure of investments made and committed in support of the ERO Enterprise IT strategy, as well as reporting of benefits realized (both qualitative and quantitative), relative to the original business case.	Text on this topic will be included in the 2017 BP&B.
2017 Business Plan and Budget	Linkage to strategic plan	February 2016	CEA	CEA recommends greater visibility in linking the core priorities articulated in the Strategic Plan with the allocation of resources for specific activities in the BP&B.	Will be addressed in the 2017 BP&B.
2017 Business Plan and Budget	Linkage to strategic plan	February 2016	Merchant Electricity Generators and Electricity Marketers	G&M's were unable to distinguish what NERC specifically plans to keep working on in 2016, initiate in 2016, or formulate in 2016 to initiate in 2017. Both the Strategic Plan and the Business Plan & Budget list items that are sometimes the same but described differently. The two documents do not seem to sleeve together seamlessly. Importantly, it is difficult to see the specific tasks associated with a priority initiative and understand the timeline for that initiative's objectives.	Will be addressed in the 2017 BP&B, recognizing that some initiatives are ongoing. Will also be considered in the 2017-2020 strategic plan.

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2017 Business Plan and Budget	Priorities	February 2016	SM-TDUs/APPA/TAPS/LPPC	SM-TDUs request that the NERC Board and Management give clear assurances that the ERO Enterprise will afford compliance discretion to Transmission Owners (TOs) with respect to application of CIP Version 5 Medium or High Impact requirements if such registered entities in good faith self-identify TO control centers as Low Impact. NERC should make cybersecurity a high priority and have adequate resources to develop guidance and outreach for these new entrants into the CIP compliance realm. This guidance must be delivered timely to be of use to compliance managers.	The ERO Enterprise worked with individual TO registered entities to determine the appropriate risk-based compliance monitoring for their entity. This approach was discussed with broader industry at the February 2016 BOTCC meeting. Cybersecurity is a priority which will be discussed in the 2017 BP&B.
2017 Business Plan and Budget	Priorities	February 2016	NAGF	ERO should concentrate the priorities and activities in its 2017 Business Plan and Budget (BP&B) Development on ERO Strategic Goal 3, to Identify the most significant risks to reliability, and Strategic Goal 4, to identify, evaluate, and independently assesses emerging risks to reliability. Specifically, the NAGF believes the priorities and activities should focus on the analysis of system performance, the evaluation of Essential Reliability Services and the evaluation of physical and cyber security controls. In addition, discussions should continue to develop options for responding to extreme physical and weather events.	Will be considered in preparing the 2017 BP&B.

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2017 Business Plan and Budget	Priorities	February 2016	SM-TDUs/APPA/TAPS/LPPC	Recommend an increased focus on the impact of environmental regulations, greater transparency on the methods NERC uses for BES risk assessment and continued focus on implementation of ongoing initiatives such as risk-based compliance, the BES exception process, risk-based registration and the transition of standards to an “enhanced maintenance” mode.	Will be considered in preparing the 2017 BP&B.
2017 Business Plan and Budget	Process	February 2016	MRO	Recommends that NERC and the Regional Entities consider instituting a “zero-based budget process,” which requires every cost be justified on its own merit, rather than simply justifying incremental cost changes from year to year.	In their respective 2017 BP&Bs, NERC and each Regional Entity will address the process used to develop its resource requirements and allocation.
2017 Business Plan and Budget	Program management	February 2016	ISO/RTO	For standards stabilization, before any drafting activity begins, the Periodic Review Team should specifically identify what, if any, changes need to be made. The recommendations should go to ballot to let the industry decide whether the standard is acceptable as-is and if the standard is opened for changes, which specific changes should be made. Establishing a set of criteria to help determine if a standard needs to be revised would also be beneficial.	Whether the standard is acceptable as-is or specific changes should be made would be addressed through the enhanced periodic review process. The Periodic Review Team recommends changes to the standard before any drafting activity begins. That recommendation is subject to direct industry comment when a Standard Authorization Request is posted, and again when proposed standard changes are posted for comment and ballot by the drafting team charged with implementing the periodic review recommendation. This process is informed by an established set of criteria embodied in the Enhanced Periodic Review template the periodic review team is required to use.

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2017 Business Plan and Budget	Program management	February 2016	ISO/RTO	For standard stabilization, recommend that the RISC develop a repeatable framework that could be used to evaluate a suggested new standard and determines the most effective tool(s) to address the issue.	RISC triages and provides front-end, high-level leadership for issues of strategic importance to bulk power system (BPS) reliability and offers high-level stakeholder leadership engagement and input on issues that impact BPS reliability. They establish a common understanding of the scope, priority, and goals for the development of solutions to address these issues, including the use of solutions other than the development of new or revised reliability standards. In doing so, the RISC provides a framework for steering, developing, formalizing, and organizing recommendations to help NERC and the industry effectively focus their resources on the critical issues needed to best improve the reliability of the BPS.
2017 Business Plan and Budget	Program management	February 2016	SM-TDUs/APPA/TAPS/LPPC	With respect to the BES exception process, we recommend that the Board direct NERC staff to explore ways to make more information publicly available so that stakeholders can both judge the effectiveness of the program and assess whether a particular exception request is likely to be granted.	Information is shared in accordance with the NERC Rules of Procedure. NERC has enhanced its Case Notes to include more detail on recently decided Exception Requests that have been posted publicly. NERC has also developed a Risk Assessment Considerations During NERC Review of Exception Requests document posted publicly in February 2016, that explains how NERC looks at risk and aggregate impacts.
2017 Business Plan and Budget	Program management	February 2016	SM-TDUs/APPA/TAPS/LPPC	For RBR, the selection of Regional Entity participants for the NERC-led panel should be transparent, with publication of how the members are selected and their expertise.	NERC and the Regional Entities each identified core NERC-led panel members who will draw from other Regional subject matter experts as needed per the submittal.

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2017 Business Plan and Budget	Program management	February 2016	EI	While the CPP work absorbed considerable resources over the past year, EEI recommends that NERC in its proposed 2017 budget seek to identify with as much confidence as possible the nature and scope of work in order to ensure maintenance of effort based on identified long-term reliability risks.	Resource requirements associated with CPP will be addressed in the 2017 BP&B.
2017 Business Plan and Budget	Program management	February 2016	SM-TDUs/APPA/TAPS/LPPC	For RBR, NERC should develop a clear and repeatable process for evaluating case-by-case requests, in accordance with the NERC Rules of Procedures.	A guide on how to make decisions has been posted on the NERC website on the Organization Registration web page (RBR implementation guidance).
2017 Business Plan and Budget	Program management	February 2016	NPCC	NPCC recommends that NERC's 2017 business plan and budget incorporate plans to enhance the effectiveness of the E-ISAC and to provide direct reliability benefits including information sharing and analytical support for all registered entities and Regional Entities.	Efforts which are underway and planned will be addressed in the 2017 BP&B.
2017 Business Plan and Budget	Program management/Communication	February 2016	ISO/RTO	For prioritizing resilience activities towards those that address multiple risks, recommend NERC consider creating a web page for each risk that highlights the issue, what has been done to address the risk, what is still being done, and include resources the industry can use. FEMA's natural disaster website appears to be a good model.	NERC, in conjunction with the RISC, will consider this recommendation as they evaluate resilience activities.

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2017 Business Plan and Budget	Program metrics	February 2016	SM-TDUs/APPA/TAPS/LPPC	For RBR, NERC staff should develop metrics to show the program's success and progress.	The ERO Enterprise will report progress to the NERC Board/BOTCC as appropriate. Additionally, industry will have ongoing visibility to the status of the program, as all decisions will be posted on the website.
2017 Business Plan and Budget	Resource allocation	February 2016	EEl	In the reliability assessment program area, NERC needs to ensure that it has resources sufficient to effectively plan and manage a sustainable effort, and to ensure that published work rests on thorough analysis.	This has been addressed on an ongoing basis as part of the resource allocation process. Resource requirements will be addressed in the 2017 BP&B to the extent approval of a budget that allows for sufficient resources occurs.
2017 Business Plan and Budget	Resource allocation	February 2016	NPCC	NPCC recommends that the ERO Enterprise focus its assessments of emerging risks to bulk electric system reliability, through the re-allocation of personnel and resources from the standards and compliance program areas to the reliability assessment and performance analysis (RAPA) program area.	This has been addressed on an ongoing basis as part of the resource allocation process. Resource requirements will be addressed in the 2017 BP&B to the extent approval of a budget that allows for sufficient resources occurs.
2017 Business Plan and Budget	Steady-state terminology	February 2016	SM-TDUs/APPA/TAPS/LPPC	The term "steady state" is at best a misnomer and should be discarded to call things as they are: NERC is well under way to conducting what might be best described as "enhanced maintenance" of a fundamentally sound body of standards that still have a number of quality and clarity concerns to be addressed.	NERC is considering refining the terminology to better reflect the current state of standards.
2017 Business Plan and Budget	Strategic Planning Redesign	February 2016	Merchant Electricity Generators and Electricity Marketers	A clearer description connecting initiatives and Reliability Issues Steering Committee (RISC) priorities to tasks would be an improvement.	Will be addressed in the 2017 BP&B.
2017 Business Plan and Budget	Transparency and consistency	February 2016	SM-TDUs/APPA/TAPS/LPPC	For risk-based CMEP, our one "ask" of NERC and the regions is to enhance the transparency and consistency of the risk assessment methods used to assess inherent and entity-specific risks to the BES.	The IRA and ICE guides are posted on the NERC website for transparency. Assessments are based on facts and circumstances for each entity.

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2017 Business Plan and Budget	Analytics	February 2016	CEA	CEA recommends that the BP&B include improved analytics, such as multi-year retrospective and prospective program trending and comparative analysis of program budgets.	Will be considered in connection with 2017 BP&B development. A considerable amount of analytics with respect to year over year comparisons by entity are included in the material presented to the NERC FAC in connection with the BP&B approvals in August.