State of the Standards Committee

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Vision

To develop a comprehensive set of results-based reliability standards that collectively help ensure the reliability operation of the North American bulk power system.

Mission

The Standards Committee’s mission is to effectively manage the development of a comprehensive set of reliability standards that are aligned with the ERO’s strategic goals through open and inclusive processes and procedure.
• **Role of the Standards Committee (SC)**
  - Manages and executes standards development activities
  - Works with NERC staff to complete tasks identified in 2013-2015 Reliability Standards Development Plan (RSDP)

• **Role of SC Subcommittees**
  - **SC Process Subcommittee (SCPS)**
    - Develops, reviews, and maintains processes and procedures that support standards development
  - **SC Communications and Planning Subcommittee (SCCPS)**
    - Communicates with stakeholders to provide information about standards development activities and standards under development
  - **SC Project Management and Oversight Committee (PMOS) (New!)**
    - Works with NERC staff and Standards Development Teams (SDTs) to manage the timely development and maintenance of a comprehensive set of world-class standards
• Ensure the timely development of high-quality, results-based reliability standards while eliminating unneeded requirements
• Encourage informal stakeholder consensus building for Standard Authorization Requests (SARs) and standards using ad hoc teams
• Employ SDTs that are staffed with a small number of Subject Matter Experts (SMEs)
• Build trust between NERC and the industry; ensure collaborative working relationship between NERC and the SC
SC Obligations to the Industry

- Encourage consensus building and stakeholder input
- Promote meaningful collaboration among NERC staff, SDTs, and ad hoc SME groups
- Provide effective project management and facilitation support and oversight
Key SC Documents

- Standards Committee Charter (*Revised*)
  - Key changes: clarifies duties of leadership team, introduces PMOS, requires super majority approval only for major documents
- Standards Committee Strategic Plan (*New*)
  - Guiding principles and strategic focus in support of 2013-2015 RSDP
- Standards Committee Work Plan (*New*)
  - Introduces aggressive approach to standards development and detailed implementation tasks
- 2013-2015 RSDP

All documents are posted at: [http://www.nerc.com/filez/scmin.html](http://www.nerc.com/filez/scmin.html).
SC Work Plan Tasks

- Review SC Charter (*Complete!*)
- Review Standards Processes and Procedures (*In Progress*)
- Execute Reliability Standards Development Plan (*In Progress*)
- Integrate interaction with Reliability Issue Steering Committee (RISC) (*Guidelines for interaction approved*)
- Improve stakeholder training and outreach (*In Progress*)
• Align work of SC, subcommittees, and affiliated working groups (*In Progress*)
• Increase access to subject matter experts (*In Progress*)
• Increase collaboration with standing committees, trades, NERC staff, Regional Entity staff (*In Progress*)
• Develop Project Management and Oversight Subcommittee (*Charter Approved*)
• Collaborate across ERO to execute outstanding projects (*In Progress*)
• Improve coordination with compliance (*In Progress*)
• Support increased outreach from Communications and Planning Subcommittee (*In Progress*)
• Review strategic plan and work plan
• SC meetings are public and observers are welcome
• Meeting agendas and minutes available online: http://www.nerc.com/filez/scmin.html
• Know (and communicate with) your segment representative: http://www.nerc.com/docs/standards/sc/SC_Roster_2013_021413.pdf
  ▪ Segments are explained in Appendix 4D of the Rules of Procedure: http://www.nerc.com/files/Appendix_3D_BallotBodyCriteria_20120131.pdf
Questions and Answers
• NERC goal on expanding the Find, Fix, Track and Report (FFT) program
• Proposed improvements to FFT program
• Providing the contents of an FFT
• Identifying and differentiating levels of risk
• Group exercises and discussion of common challenges
Proposed Improvements to FFT
Goal for 2013

- Expansion of FFT program
- Earlier identification of FFTs
• Evaluating experience thus far
  ▪ Monitoring consistency across the Electric Reliability Organization enterprise
    o Pre-filing review of FFTs
    o FFT sampling

• Identifying improvements going forward
  ▪ Incorporate enhancements to bring additional benefits
  ▪ Continue to rebalance enforcement strategy to incorporate additional positive incentives
  ▪ Reduce mitigation plan documentation requirements for registered entities
• Concepts proposed as potential enhancements to the FFT program

  - Streamlined Reporting and Focused Oversight
    - Posting of FFTs by Regional Entities on a common website
    - Review by NERC and FERC during a 60-day period
    - Annual informational filing by NERC on the progress of the program, including results of reviews of FFT sampling
Potential Enhancements

- Permit use of FFT processing track for
  - Minimal and moderate risk issues that have not been fully mitigated, provided mitigation is completed within a specific time period
  - Certain moderate risk issues
• Benefits of CEI
• Effect on caseload
• Focus on higher-risk reliability matters
• Evaluation of risk
• Proposed improvements
• Monitoring of implementation and overall consistency
• Impact on self-reporting
• Filed on March 15, 2013
Characteristics of FFT Remediated Issues and Notice of Penalty Violations
Evaluation Criteria

- The underlying facts and circumstances, including what happened, why, where, and when
- The reliability standard at issue
- The applicable Violation Risk Factor (VRF) and Violation Severity Level (VSL)
Evaluation Criteria

• The potential and actual level of risk to reliability, including mitigating factors during pendency of the Possible Violation
• The registered entity’s compliance program, including preventive and corrective processes and procedures, internal controls, and culture of compliance
• The registered entity’s compliance history
Contents of an FFT
Anatomy of an FFT

• Description of Remediated Issue
  ▪ Facts associated with the violation, including scope, duration, location, and specification of noncompliance with the requirement

• Description of the Risk Assessment
  ▪ Risk must be minimal
  ▪ Address potential and actual risk
  ▪ Factors that mitigated the potential risk

• Description and Status of Mitigation Activity
  ▪ Mitigation activities must be completed and certified before filing
  ▪ Remediating the noncompliance and preventing reoccurrence
Common Issues with Processing FFTs

• Concerns substantiated by FFT sampling
  ▪ Insufficient facts from the self-report to support the issue
  ▪ Insufficient explanation of minimal risk
    o Mitigating factors during pendency of noncompliance

• Timeliness of mitigation activity completion
• Presently, compliance staff can make FFT recommendations to enforcement staff for issues identified during an audit or spot check
  - Recommendations should be supported by
    - Description of the issue
    - Assessment of the risk
    - Listing of mitigating activities, if any at that point
• Compliance staff may verify what the registered entity does to mitigate the potential noncompliance
Risk Considerations
Guidelines for Critical Infrastructure Protection Issues

• Failing to identify a Critical Asset or Critical Cyber Asset will usually present a moderate risk
  ▪ Unless there is solid evidence the entity provided all required protections

• Removal of an asset pursuant to a subsequent Risk-Based Assessment Methodology (RBAM) does not negate earlier violations involving failure to include that asset
  ▪ FFT treatment will usually be appropriate
• Loss of customer load, if it cannot affect the bulk power system (BPS) beyond that entity’s system, can be minimal risk but will likely not be treated as an FFT

• An isolated failure to restore Area Control Error (ACE) within 15 minutes, without “leaning” on surrounding reserves, can be minimal risk

• Still more than “nothing bad happened”
Comparing Results and Discussing Common Challenges
• Review facts, circumstances, and risks of the noncompliance
• Assess the risk of the noncompliance, including categorizing as minimal or moderate risk
  ▪ Compose the risk statement
• Recommend appropriate disposition track
  ▪ FFT or Notice of Penalty (NOP)
Discussion of Exercises

• Enough information to make a decision?
  ▪ What information is most useful? Least useful?
  ▪ What more would you have needed to know to come to a recommendation for disposition?
    ○ Can you provide that information in a self-report or in an audit or spot check?

• What information most affects the risk determination?
• What types of violations call for imposition of penalties?
• How confident were you in your recommendation of the disposition track?
Conclusion

- Commitment to maximizing the FFT program
- Increased responsibilities for registered entities
- Reserve other processing tracks for the most serious violations
Questions and Answers