NERC’s Compliance Enforcement Initiative
*Find, Fix, Track and Report Update*

Trilateral Meeting

May 10, 2012
Agenda

- Compliance Enforcement Initiative Order
- Data and Trends
- Implementation
• Approved all six FFT filings from September, 2011 to February, 2012
• Six month and one year status reports due to FERC
  ▪ Six month report due May 14, 2012
  ▪ One year report due in March 2013
• Compliance filing due May 14, 2012
FFT Program Modifications

- Minimal risk possible violations are eligible
- Registered entities must have an officer certify that an issue has been mitigated
- FFT informational filings publicly identify the registered entity with a Possible Violation
- Finality -- violations final 60 days after submittal to FERC if no further review
Guidance on Risk Assessment

- Not a minimal risk simply because there was no adverse impact
- Must be based on facts, rather than assumptions
- Not minimal risk if a serious shortcoming in reliability-related processes
- Must be based on facts at the time of the Possible Violation
- Should Address actions that made actual risk of a Possible Violation less than potential risk
• Importance of Self-Reports
• Annual FFT survey by FERC
• Mechanisms to identify and revise or remove unnecessary or redundant requirements
FFTs by Month
(September 2011 - April 2012)
Total FFTs/NOPs by Region

(September 2011 - April 2012)
FFT Standard Breakdown
(September 2011- April 2012)
Data and Trends

FFTs by Discovery Method as of 4/30/2012

- Externally Identified (Audits, Spot Checks, Investigations): 40%
- Internally Identified (Self-Reports, Self Certifications, Data Submittal, Exception Reporting): 60%
• CEA compliance monitoring staff will make recommendations in 2013
• Guidance for Self-Reports to provide FFT information by registered entities
• Ongoing training for CEA compliance staff and CEA enforcement staff
• Continued industry education and outreach
Implementation Schedule

- Second Quarter 2012
  - Develop specific training materials

- Third Quarter 2012
  - Online webinar courses for CEA staff
  - September - CEA Staff workshop/training course.

- Fourth Quarter 2012
  - Online webinar courses for CEA staff
  - All CEA compliance monitoring staff complete required training course and qualification

- First Quarter 2013
  - Implement CEA compliance monitoring staff role