

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

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

Trilateral Meeting

May 10, 2012

RELIABILITY | ACCOUNTABILITY



- Compliance Enforcement Initiative Order
- Data and Trends
- Implementation

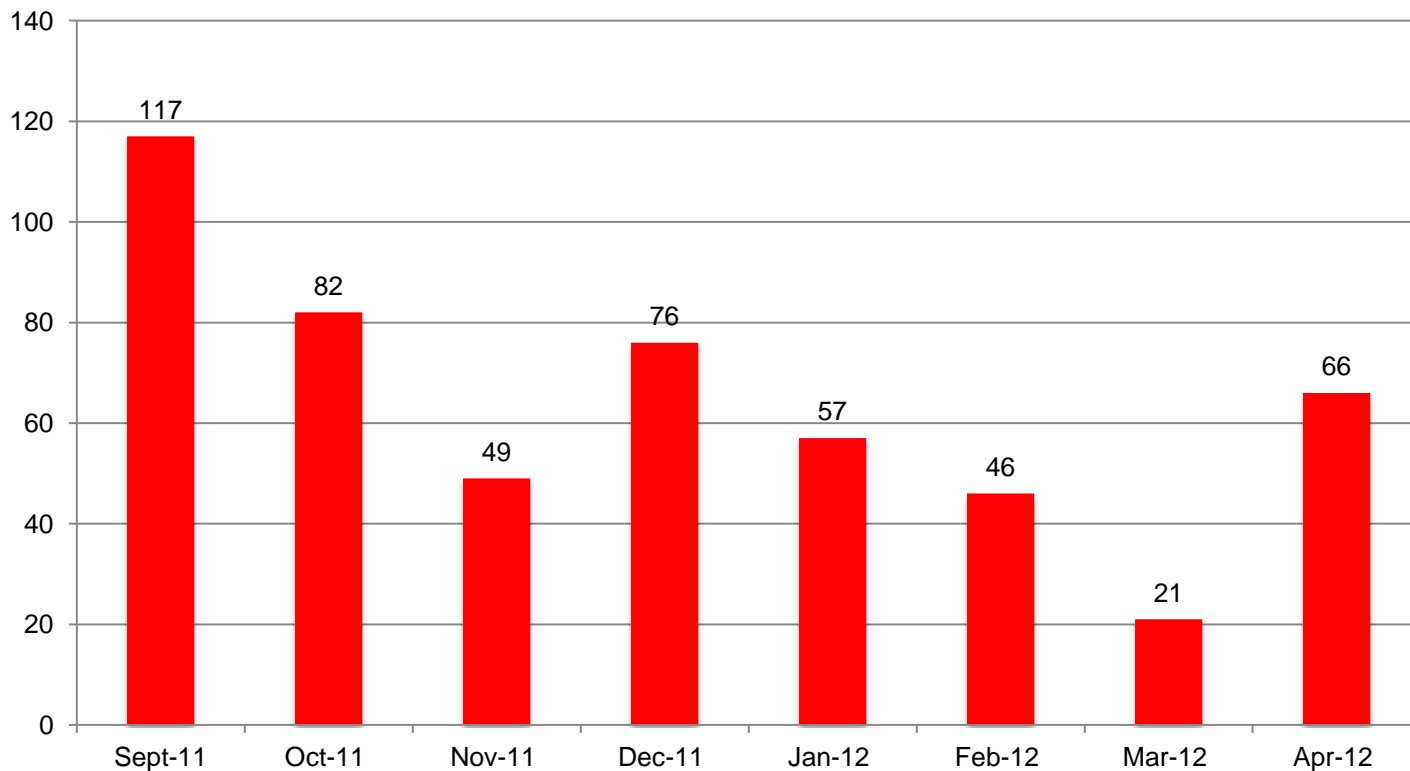
- Approved all six FFT filings from September, 2011 to February, 2012
- Six month and one year status reports due to FERC
 - Six month report due May 14, 2012
 - One year report due in March 2013
- Compliance filing due May 14, 2012

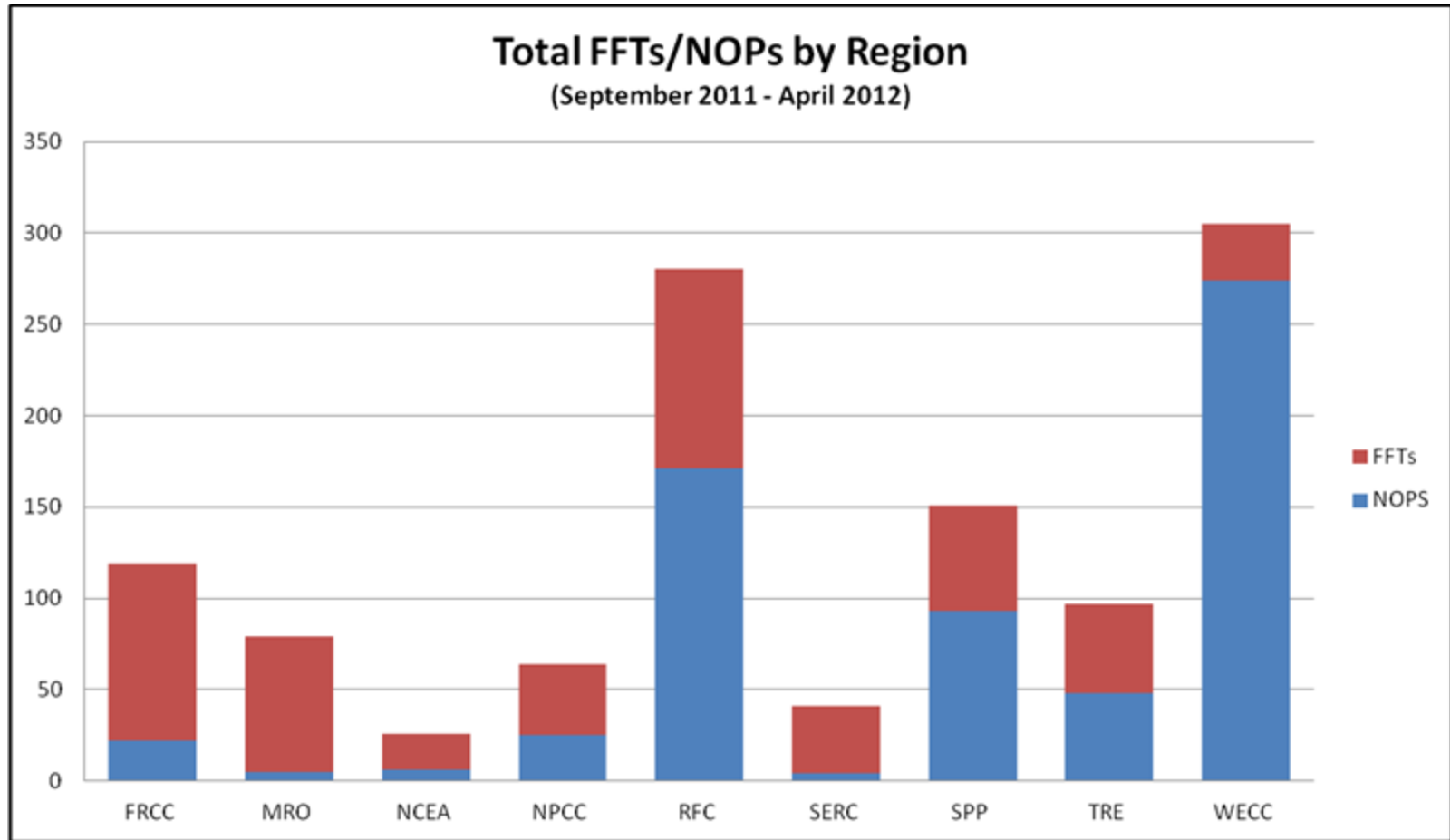
- Minimal risk possible violations are eligible
- Registered entities must have an officer certify that an issue has been mitigated
- FFT informational filings publicly identify the registered entity with a Possible Violation
- Finality -- violations final 60 days after submittal to FERC if no further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

- 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

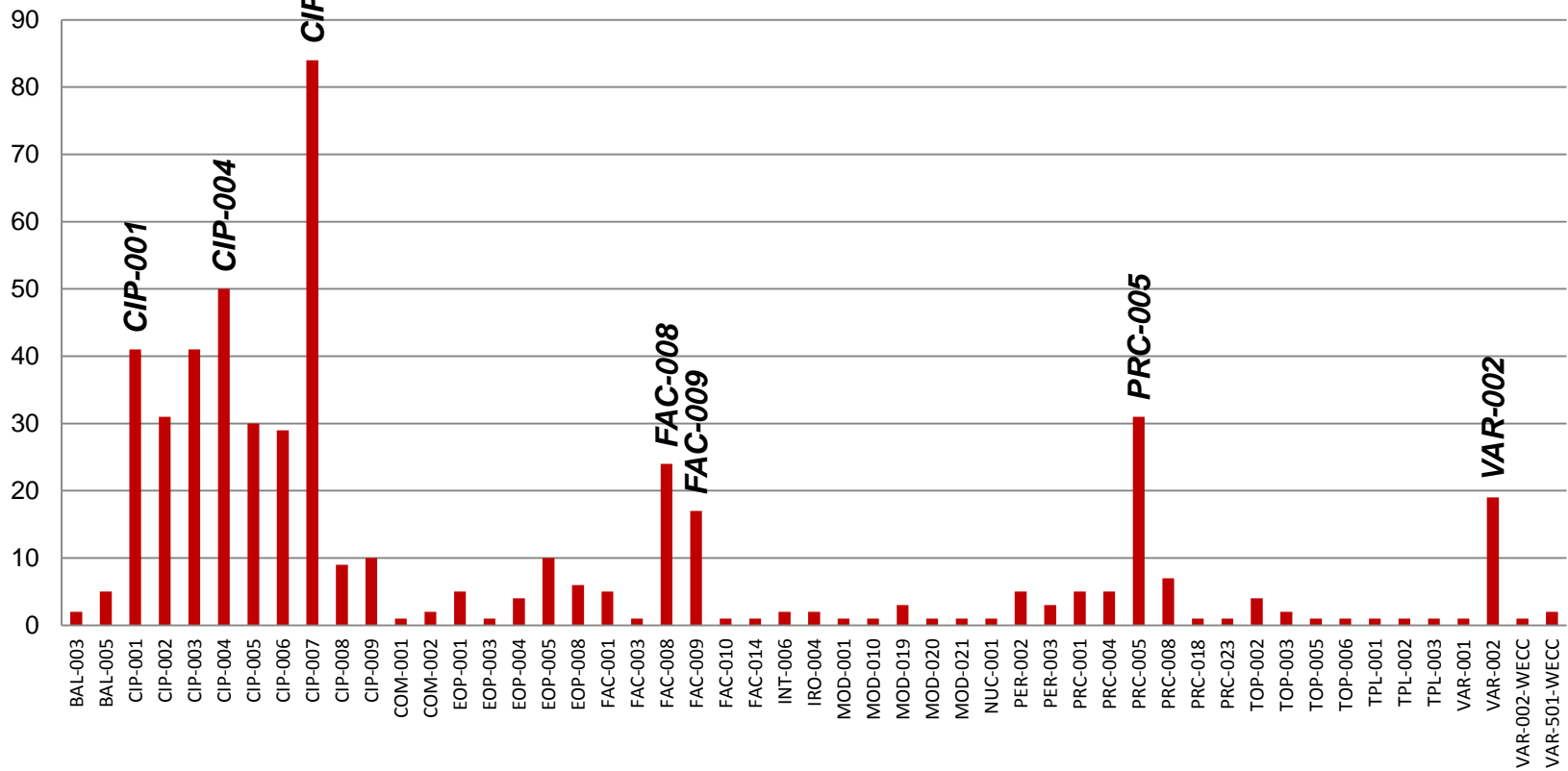
- Importance of Self-Reports
- Annual FFT survey by FERC
- Mechanisms to identify and revise or remove unnecessary or redundant requirements

FFTs by Month (September 2011 - April 2012)

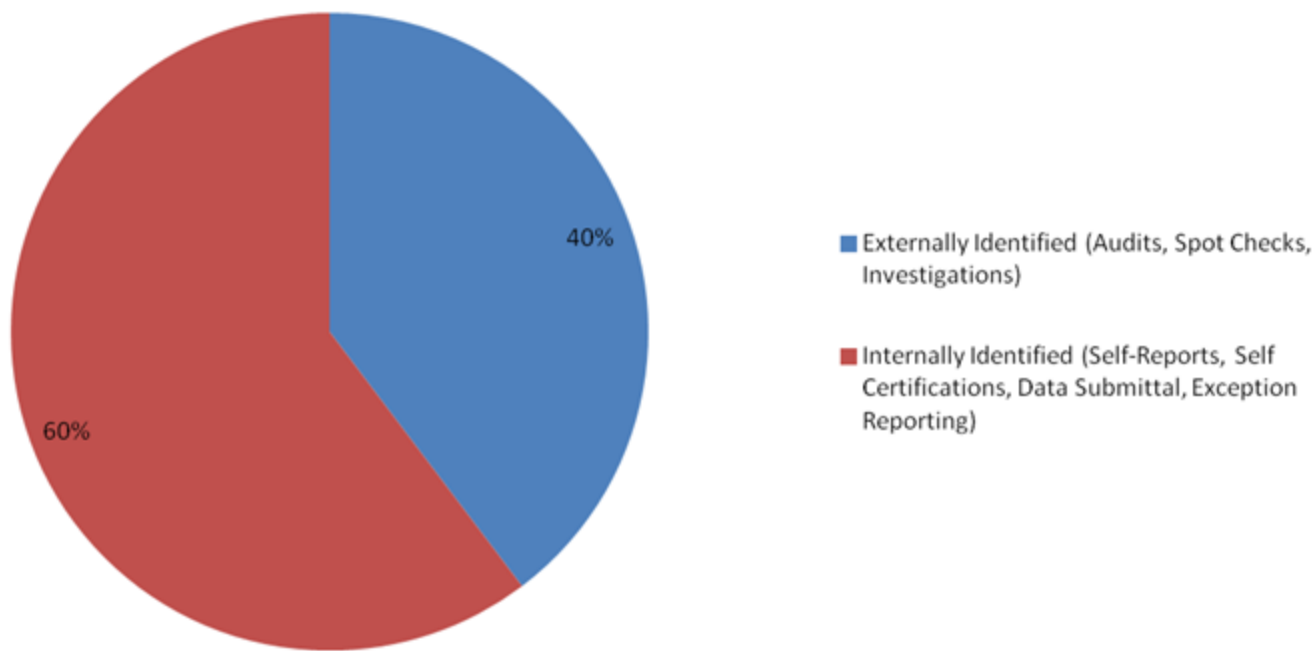




FFT Standard Breakdown (September 2011- April 2012)



FFTs by Discovery Method as of 4/30/2012



- 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

- 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

