About the Compliance & Enforcement Program

The focus of NERC’s compliance program is to improve the reliability of the bulk power system in North America by fairly and consistently enforcing compliance with NERC standards. Specifically, the program is designed to ensure that the right practices are in place so that the likelihood and severity of future system disturbances are substantially reduced, while recognizing that no standards or enforcement process can fully prevent all such disturbances from occurring.

NERC’s program allows users, owners, and operators recourse through a defined due process that ensures fair and equal treatment for all bulk power system users, owners, or operators, regardless of their size. It also includes strict confidentiality provisions to help support objectivity and fairness.

Addressing Reliability Issues
In the United States, NERC and the eight Regional Entities charged with compliance enforcement monitor compliance via a number of methods, including regular and scheduled compliance audits, random spot checks, and specific investigations as warranted by indications that a standard may have been violated. Whenever a possible violation is discovered, a thorough review is conducted prior to issuing a formal notice of alleged violation to the involved user, owner, or operator. Once fully vetted, the violation is confirmed and sent to NERC for approval.

Through the entire due process, the first priority is addressing critical reliability issues at hand. NERC and the Regional Entities work closely with each user, owner, or operator to review and monitor plans to resolve any reliability issues as quickly as possible.

Resolving to Improve Reliability
NERC or the Regions may, at any time prior to the issuance of a notice of penalty by NERC, engage in a series of negotiations with the implicated user, owner or operator, giving the implicated entity an opportunity to settle any disputes or acknowledge the allegation and accept any associated penalties.

When an agreement, or a certain point in the due process of appeals, has been reached and approved by NERC’s Board of Trustees Compliance Committee, NERC is obligated to provide the details of the investigation to the Federal Energy Regulatory Commission in the U.S. or to applicable governmental authorities in Canada by issuing a Notice of Penalty or Settlement Agreement. At this point, the information becomes publicly available and will be posted to NERC’s website.

Fast Facts
As of 6/2/08
All numbers are approximate

Total Number of Violations Reported to NERC: 6,400
Since June 18, 2007: 1,400

Total Self-Reported: 5,700
Since June 18, 2007: 700

Audits Scheduled in 2008: 350

Total Number of Mandatory Reliability Standards: 94

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The most important takeaway from any violation is that reliability is being improved across North America as a result of proactive efforts to prevent future system disturbances.”