ERO Enterprise CMEP Practice Guide:
Implementation of “Annual” and “Calendar Month(s)” in the Reliability Standards
April 19, 2019

Background
The terms “annual” and “calendar month” are found within North American Electric Reliability Corporation (NERC) Reliability Standards (Standard) requirements and subject to interpretation when implementing the Standard and considering compliance with the Standard. Also, NERC’s Compliance Application Notice (CAN) – 0010 Implementation of “Annual” in Reliability Standard Requirements will be retired on endorsement of this Practice Guide. To support implementation and compliance, the Electric Reliability Organization (ERO) Enterprise\(^1\) adopted the Compliance Guidance Policy.\(^2\) The Compliance Guidance Policy outlines the purpose, development, use, and maintenance of guidance for implementing Reliability Standards. According to the Compliance Guidance Policy, Compliance Guidance includes two types of guidance – Implementation Guidance and Compliance Monitoring and Enforcement Program (CMEP) Practice Guides.\(^3\)

Purpose
This CMEP Practice Guide provides clarity for ERO Enterprise CMEP staff to assess compliance regarding implementation of the terms “annual” and “calendar month” within the Reliability Standard (Standard) requirements. The guidance previously provided by NERC in Compliance Application Notice (CAN) – 0010 “Implementation of Annual in Reliability Standard Requirements” has been incorporated into this Practice Guide.\(^4\) Due to the increased use of “calendar month” in Standard requirements, this Practice Guide also provides guidance to CMEP staff in assessing compliance with this language. Most calendar month requirements intend to ensure that entities perform a particular task on a regular basis, with an established maximum interval between the occasions when the entity performs the task. Overly long intervals affect the ability of the activity to protect reliability. This Practice Guide does not supersede or change any language contained in a Standard.

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\(^1\) The ERO Enterprise consists of NERC and the Regional Entities
\(^3\) Implementation Guidance provides a means for registered entities to develop examples or approaches to illustrate how registered entities could comply with a Standard that are vetted by industry and endorsed by the ERO Enterprise. CMEP Practice Guides differ from Implementation Guidance in that they address how ERO Enterprise CMEP staff executes compliance monitoring and enforcement activities, rather than examples of how to implement the Standard.
\(^4\) Concurrently with the publishing of this CMEP Practice Guide, CAN-0010 will be retired on the same date. Retired CANs can be found at: [https://www.nerc.com/pa/comp/Resources/Pages/Archives.aspx](https://www.nerc.com/pa/comp/Resources/Pages/Archives.aspx)
Consideration of Annual
In all Standards where the term “annual” is not defined, CMEP staff will evaluate how the registered entity has established its implementation of the annual requirements within one of the two parameters provided below:

a) Within a Calendar Year, beginning on January 1 and ending on December 31 (Calendar Year): In this option, CMEP staff will verify that the activity or event is conducted at least once every Calendar Year. A best practice is that the activities or events should not be too far apart. For example, a registered entity’s documentation may state that there should be no more than 15 months between the events required by the Standard, however, CMEP staff should still assess whether the activity took place during the calendar year; or

b) Rolling 12 months: The activity or event is conducted at least once within the last 12-month period.

CMEP staff will also consider whether a registered entity documented either one implementation of annual across all Standards that do not define annual, or an implementation for each individual standard.

Consideration of Calendar Months
Recent Standards revisions have mostly eliminated the “annual” language and instead are using calendar months. For example, CIP-002 modifications include changing the “annual” review to “15 calendar months” and in CIP-014, entities are required to perform actions within “30 or 60 calendar months”.

CMEP staff are to verify that a registered entity implemented calendar month requirements pursuant to the guidelines below:

- For requirements that reference “calendar months” to define the periodicity with which an activity is required to take place, CMEP staff should assess compliance based on whether the registered entity completes the activity by the last calendar day of the calendar month X months from previous review or activity (e.g., CMEP staff should assess whether the activity took place by January 31, instead of parsing via specific calendar days (e.g., ending on the same date of the month as when the last activity took place).

  ▪ Scenario 1 – The entity created/reviewed the CIP-002-5.1a Requirement R2 documentation on June 15, 2018 and since the requirement has a 15 calendar months review cycle, the entity must complete the next review no later than September 30, 2019.

  ▪ Scenario 2 – On August 10, 2017, an entity, registered as a Transmission Owner, performed its risk assessment per CIP-014-2 Requirement R1 and identified one or more Transmission stations or Transmission substations that if rendered inoperable or damaged could result in instability, uncontrolled separation, or Cascading within an Interconnection. The entity would be required to perform a subsequent risk assessment at least once every 30 calendar months, or no later than February 29, 2020.