

# Compliance Guidance Frequently Asked Questions (FAQ)

December 2020

## Compliance Guidance - General

**Q:** Why was another set of guidance documents added to the mix?

**A:** The [NERC Compliance Guidance Policy](#) does not add another set of guidance documents to the mix; it simply consolidates and replaces the previous variety of guidance documents with one set of finite documents.

**Q:** What was wrong with the previous guidance documents?

**A:** There was nothing wrong with the previous guidance documents. However, over time, the guidance evolved into various guidance documents, with multiple names, covering multiple topics; some providing implementation guidance for industry, and some providing compliance monitoring approaches for ERO Enterprise CMEP personnel. The previous process became too confusing and difficult to manage, creating an opportunity to consolidate them.

**Q:** What happened to previous NERC guidance documents such as CANs, CARs, Bulletins and Directives?

**A:** The previous NERC guidance documents were reviewed and were either retired or converted to CMEP Practice Guides.

**Q:** What is the difference between Compliance Guidance, Implementation Guidance, and CMEP Practice Guides?

**A:** Compliance Guidance consists of both Implementation Guidance and CMEP Practice Guides. Implementation Guidance provides examples or approaches on how an entity could potentially implement, or comply with, a Reliability Standard; it is developed by industry, for industry. CMEP Practice Guides address how ERO Enterprise CMEP personnel execute their compliance monitoring and enforcement activities; these are developed by the ERO Enterprise for the ERO Enterprise.

**Q:** What is the difference between Compliance Guidance and the *Guideline and Technical Basis (GTB)* and the *Technical Rationale (TR)* in the Reliability Standards?

**A:** The GTB and TR sections of the Reliability Standards are similar to position papers that 1) may describe how a Standard Drafting Team (SDT) may have viewed a particular technical topic, 2) show what they considered while developing the standard, or 3) may simply be supporting documents. Compliance Guidance is directly related to complying with, or assessing compliance with, the [Reliability Standards](#). However, SDT have been working to remove GTB and TR from the standards and some of that information may end up in Compliance Guidance documents, and some may end up in a technical reference library.

**Q:** How do Reliability Guidelines such as "*Improvements to Interconnection Requirements for BPS-Connected Inverter-Based Resources Sept 2019*" fit into the structure of NERC Compliance Guidance?

**A:** [Reliability Guidelines](#) do not fit into the structure of the [NERC Compliance Guidance Policy](#). Reliability Guidelines tend to be more technical references that contain best-practices but do not necessarily address compliance-related issues. Additionally, they are not ERO Enterprise endorsed for use in compliance monitoring and enforcement activities.

**Q:** What is a Pre-Qualified Organization (PQO)?

**A:** A PQO is an industry stakeholder group that could represent all, or a segment, of industry. In order to become a PQO these groups must meet certain criteria, such as the ability to vet developed guidance with industry, and be approved by the [NERC Compliance and Certification Committee \(CCC\)](#).

**Q:** Who do I contact if my organization is interested in becoming a Pre-Qualified Organization?

**A:** The first step to becoming a PQO is to review the [Application to Become a Pre-Qualified Organization](#) on the [NERC Compliance Guidance](#) webpage. The application includes the criteria to be a PQO and the instructions for completing and submitting the application.

**Q:** What is the difference between the ERO and the ERO Enterprise?

**A:** The Energy Policy Act of 2005 called for the creation of an Electric Reliability Organization (ERO) to develop and enforce compliance with mandatory reliability standards. On July 20, 2006, FERC certified NERC as ERO for the United States. The ERO Enterprise consists of NERC and the six [Regional Entities](#) that execute delegated responsibilities under Regional Delegation Agreements (RDA) with NERC.

**Q:** How do I know if Implementation Guidance has been approved by the ERO Enterprise?

**A:** To ensure Implementation Guidance is ERO Enterprise "endorsed" by the ERO Enterprise it is recommended you use only guidance documents posted under the "*ERO Enterprise Endorsed Implementation Guidance*" section of the [NERC Compliance Guidance](#) webpage. Additionally, all endorsed guidance documents will include a red endorsement stamp on the title page of the document.

**Q:** How do I know if the "older" Implementation Guidance is still relevant?

**A:** If the guidance is posted under the ERO Endorsed Implementation Guidance section of the [NERC Compliance Guidance](#) webpage then it is still relevant. Additionally, NERC recently instituted a periodic review requirement for all new Implementation Guidance, and NERC will be performing a review of all currently endorsed Compliance Guidance in 2021.

**Q:** If I follow the examples or approaches in an ERO Enterprise endorsed Implementation Guidance Document is compliance guaranteed?

**A:** Compliance is determined based on entity specific facts, circumstances, and system configurations. However, based upon the [CMEP Practice Guide on Deference to Implementation Guidance](#) an entity would be given "deference", if it implemented the examples or approaches to achieve compliance in good faith.

**Q:** If I follow the examples or approaches in an ERO Enterprise endorsed Implementation Guidance document to comply with a Reliability Standard should I make CMEP personnel aware of this?

**A:** There is no need to proactively make CMEP personnel aware of your use of Implementation Guidance. However, if it appears a finding may result from your use of ERO Endorsed Implementation Guidance document it is highly recommended you inform the CMEP personnel.

**Q:** May CMEP staff develop auditing methods or questions based on the guidance contained in an Implementation Guidance document or find a Possible Non-Compliance (PNC) based on not following Implementation Guidance?

**A:** Yes, CMEP staff are informed by existing Implementation Guidance and may ask relevant questions around risks and controls. However, Implementation Guidance is not used as a basis for finding a PNC.

**Q:** It appears that, to an extent, that Implementation Guidance documents are interpretations of [Reliability Standards](#). Are all the interpretations in the Implementation Guidance supported by the ERO Enterprise?

**A:** Implementation Guidance does not, in any form or manner, include interpretations of the Reliability Standards. They include examples or approaches an entity could generally use to comply with a Reliability Standard. This is similar to how CMEP personnel would assess compliance, but without the knowledge of entity specific facts, circumstances, and system configurations.

**Q:** How does NERC ensure the program remains efficient and effective?

**A:** NERC is constantly gaining experience and using that experience to revise the process and tools to ensure the programs efficiency and effectiveness. Additionally, in 2019 NERC conducted surveys of Compliance Guidance developers, reviewers, and users and used that feedback to make moderate program enhancements.

**Q:** How would a Standard Drafting Team (SDT) perform a "periodic review"? SDTs disband once the project is complete.

**A:** This particular issue, regarding the maintenance of Implementation Guidance that was developed by SDT, is currently being worked out internally within NERC. The prevailing thought is that future SDT working on revising or developing the standard, or related standard, would review any relevant Implementation Guidance at that point. A SDT could potentially recruit a PQO, or other SME group, to assist with the development and/or review of Implementation Guidance.

**Q:** Are the tools and criteria used to develop, review, and endorse Implementation Guidance publically available?

**A:** Yes, for transparency purposes, the tools and criteria that are available to Implementation Guidance developers and reviewers are publically available on the [NERC Compliance Guidance](#) webpage.

**Q:** How is the Compliance Guidance program administered?

**A:** NERC has a primary and alternate Compliance Guidance Coordinator role that administers the program. The coordinator is responsible for all notifications and announcements, ensuring all proposed Implementation Guidance is processed, and making all updates to the Compliance Guidance webpage.

## Implementation Guidance - Process

**Q:** What are the main elements of the Compliance Guidance process?

**A:** There are three main elements of the Compliance Guidance process and they include the Development, Review, and Endorsement/Approval sub processes.

### Development

**Q:** Who develops Implementation Guidance Documents?

**A:** Any registered entity can develop Compliance Guidance, but there are three industry groups that can vet Compliance Guidance. They are Pre-Qualified Organizations (PQO), a Standard Drafting Teams (SDT), or a Regional Entity Stakeholder Committees. CMEP Practice Guides, the other form of Implementation Guidance, are developed by the ERO Enterprise.

**Q:** Is NERC involved in the development of Implementation Guidance, or is it strictly PQO, SDT, and Regional Entity Stakeholder Committees that develop Implementation Guidance?

**A:** NERC is not directly involved in the development of Implementation Guidance. However, NERC does offer services to assist developers during the process. These services include providing Implementation Guidance 101 sessions prior to development, pointing out pitfalls during development (upon request or if NERC is in attendance), and providing developers with post-review comments.

**Q:** How do developers know how to develop Implementation Guidance, what is acceptable, and what is not acceptable?

**A:** NERC has developed a variety of tools to assist developers. Some of the key tools include an [Implementation Guidance Development and Review Aid](#) and an [Implementation Guidance Template](#).

**Q:** Who determines what Implementation Guidance to develop?

**A:** The groups that develop Implementation Guidance determine what guidance they develop; typically, NERC does not recommend or suggest desired guidance. PQO's often develop Implementation Guidance based on feedback from their members or industry concerns.

**Q:** How does NERC ensure there isn't too much duplicative Implementation Guidance?

**A:** NERC does not have a mandate that there only be a certain number of Reliability Standard and Requirement specific Implementation Guidance documents. However, we do encourage developers to collaborate with each other to ensure they are not wasting their resources on duplicative, or closely related, guidance. NERC has developed several collaboration related tools to assist developers such as the [Implementation Guidance Under Consideration or Development](#) spreadsheet, and the [PQO/SDT Contact Information](#) spreadsheet.

**Q:** How do I make suggestions for desired Implementation Guidance?

**A:** If you have a suggestion for Implementation Guidance you would like to see developed you can contact any of the PQO or Regional Entity Stakeholder committees your organization may be involved with. Additionally, a registered entity may develop proposed Implementation Guidance itself then use the [PQO/SDT Contact Information](#) to contact a PQO to vet the proposed guidance with industry.

## **Review**

**Q:** How does NERC receive newly developed Implementation Guidance for review?

**A:** NERC receives newly developed Implementation Guidance, also known as “proposed” Implementation Guidance, from the developer via an email process using the [Implementation Guidance Submittal Form](#). NERC will be exploring other options for submitting Implementation Guidance.

**Q:** What criteria are used to review proposed Implementation Guidance?

**A:** The review criteria are listed in the [Implementation Guidance Development and Review Aid](#) used by the developers.

**Q:** What is the process for ERO Enterprise review of Proposed Implementation Guidance?

**A:** The ERO Enterprise utilizes a collaborative review and endorsement process where all concerns are openly addressed. NERC and Regional Entity Subject Matter Experts (SME) vet the guidance document with all internal departments, such as Compliance, Enforcement, and Risk Assessment & Mitigation to identify potential concerns. Once this vetting is complete the SMEs discuss any identified concerns and collaboratively develop an endorsement recommendation. This SME recommendation is then provided to ERO Enterprise CMEP management for an Endorsement decision.

**Q:** Does the ERO Enterprise mark up, or redline, the proposed Implementation Guidance documents as they are reviewing them?

**A:** The ERO Enterprise does not own the, nor can we develop, Implementation Guidance documents therefore we do not redline the documents during the review process. However, reviewers are encouraged to document their review notes, which could be shared with the developer for potential future revisions. Additionally, if the SMEs recommend Non-Endorsement, they will develop a high level “one ERO” statement that describes the reason, or reasons, why the proposed Implementation Guidance is not being recommended for endorsement.

**Q:** What if NERC and the [Regional Entities](#) do not all agree on an endorsement recommendation?

**A:** The SME endorsement recommendation to CMEP management is generally made based on majority opinion, such as 4 of 7 recommend endorsement, or 4 of 7 recommend non-endorsement.

**Q:** Do state and/or federal regulators participate in the review and endorsement process?

**A:** No, ERO Enterprise CMEP processes do not typically involve state and/or federal regulators.

## **Endorsement**

**Q:** What is the timeframe to complete the review and endorsement process for proposed Implementation Guidance?

**A:** There is no fixed timeline as the review and endorsement process may vary based on factors such as the relative complexity of the document, the number of identified concerns, and SME/CMEP management meeting schedules. However, as a general rule, the goal is for a 30 to 45 day turnaround from time the proposed Implementation Guidance is received to the time a final endorsement decision is made and announced.

**Q:** Who makes the final endorsement decision?

**A:** An ERO Enterprise CMEP management group makes final endorsement decisions, with a final review by the NERC Director of Enforcement.

**Q:** How is the final endorsement decision made?

**A:** The ERO Enterprise CMEP management group that makes final endorsement decisions reviews the SME endorsement recommendation, discuss any remaining identified concerns, collaboratively makes a final endorsement decision, then provide that decision to the NERC Director of Enforcement for a final review.

## Compliance Guidance - Tools

**Q:** Regarding the [Implementation Guidance Template](#), is it acceptable for a PQO to use its own template, with matching content and sections, then have the ERO Enterprise add a cover page upon submittal?

**A:** Use of the [Implementation Guidance Template](#) is not mandatory, only recommended. However, developers should keep in mind that the template was developed based on lessons learned and best practices and is designed to include the main content in the body of the document while having the supporting information in the Appendices. The ERO Enterprise will consider development of a formal “cover page” for all ERO Enterprise endorsed Implementation Guidance.

**Q:** Is it correct to assume the items highlighted in red text in the [Implementation Guidance Development and Review Aid](#) will result in non-endorsement?

**A:** Yes, items in red text typically result in non-endorsement.

**Q:** The [Implementation Guidance Development and Review Aid](#) indicates one reason for non-endorsement is if the proposed Implementation Guidance is a whitepaper, position paper, concept paper, FAQ, or technical reference document. Is there a tool available to help determine if a proposed guidance document is one of these?

**A:** There is no specific tool available. However, a few key points to keep in mind is that the document should not be overly theoretical or position-orientated, and it include specific examples or approaches on how an entity could comply with a Reliability Standard.

**Q:** How often are the [Implementation Guidance Under Consideration or Development](#) spreadsheet and the [PQO/SDT Contact Information](#) spreadsheet updated?

**A:** In the past we have targeted updating these on a bi-annual basis. However, with more focus on encouraging Implementation Guidance developers to collaborate amongst themselves we are now targeting quarterly updates or reviews.

**Q:** What is the purpose of the [Non-Endorsed Implementation Guidance Tracking](#) spreadsheet?

**A:** The tool serves two primary purposes. First, the tool provides a record on the reasons specific guidance documents were not endorsed by the ERO Enterprise. Second, developers could use the tool as a quick reference on general lessons learned, or on pitfalls regarding specific guidance documents.

**Q:** Where can I find the Compliance Guidance related documents and tools?

**A:** These documents and tools can be found on the [NERC Compliance Guidance](#) webpage. To navigate to this webpage from the NERC homepage simply a) select *Program Areas & Departments* from the horizontal menu at the top of the page, b) a drop down menu will appear; select *Compliance and Enforcement*, c) once there, select *Compliance Guidance* from the vertical menu on the left hand side of the page.