January 21, 2011

To: Industry Stakeholders

Re: Continuation of Field Test for Electric Reliability Organization (ERO)
Event Analysis Program

Ladies and Gentlemen:

On October 25, 2010, the ERO commenced a field trial of a revised Event Analysis Program. The ultimate goals of the revised Event Analysis Program are to enhance reliability and serve as a learning initiative by providing the industry timely lessons learned from system events, conditions, and trends. By integrating added industry engagement and collaborative review of disturbances within the framework of the NERC Event Analysis Program, it is anticipated that effectiveness, predictability, consistency, and timeliness of the process will be improved.

To date, significant effort has been expended, and the industry engagement has been noteworthy. The revised process is sound, but considerable work remains to ensure our objectives can be met. To that end, we will extend the use of the revised process document, make needed changes in parallel, and continue the field trial into a second phase. Throughout the initial phase of the field trial the ERO has been monitoring progress by tracking and reviewing various event related documents, including event reports, event analysis reports, lessons learned, and compliance evaluations submitted by involved entities. The ERO has also solicited industry and regional feedback on the revised events analysis process document, as well as the process overall.

The initial phase of the field trial will conclude on January 25, 2011. Following this date, the ERO will conduct a comprehensive evaluation of field trial data and improvement opportunities from the initial three-month period. This evaluation will be a collaborative effort conducted by personnel from NERC, Regional Entities, Event Analysis Working Group (EAWG), and Technical Committee leadership. While this evaluation is ongoing, the current version of the revised process document, dated October 25, 2010, will remain in effect. Upon evaluation completion, NERC will post a revised version of the “Electric Reliability Organization: Event Analysis Process” –at the following address:

http://www.nerc.com/filez/eawg.html

One or more webinars will be conducted to announce the revised document, reinforce key aspects of the process, highlight areas of particular challenge, solicit further input, and importantly – communicate lessons learned from events to date. As the process becomes more refined, the ERO will provide for added training opportunities on key aspects.

It is expected that the field trial second phase will continue into summer 2011. The ERO plans a second comprehensive evaluation during July 2011, which will facilitate a final revision to the
process document. Current plans are to submit any associated changes to the NERC Rules of Procedure for approval by the NERC Board of Trustees during the November 2011 meeting.

The ERO encourages continued, robust industry participation during remaining phases of the field trial. This includes timely event reporting, technically sound event analysis using standard cause analysis techniques, effective corrective actions, and development of lessons learned to share with the industry. Registered entities are also strongly encouraged to conduct a rigorous self-evaluation of the reliability standards deemed applicable to these event, and to self-report any possible violations through the established compliance program mechanisms.

As the field trial continues, please feel free to call your regional entity liaisons or NERC with any questions you may have or assistance you may require in participating in this program.

Sincerely,

Thomas J. Galloway
Senior Vice President and CRO