Compliance Monitoring and Enforcement Program (CMEP) and Organization Registration and Certification Program (ORCP) Annual Report

Lonnie Ratliff, Jim Stuart, and James McGrane
Compliance Committee Meeting, February 15, 2023

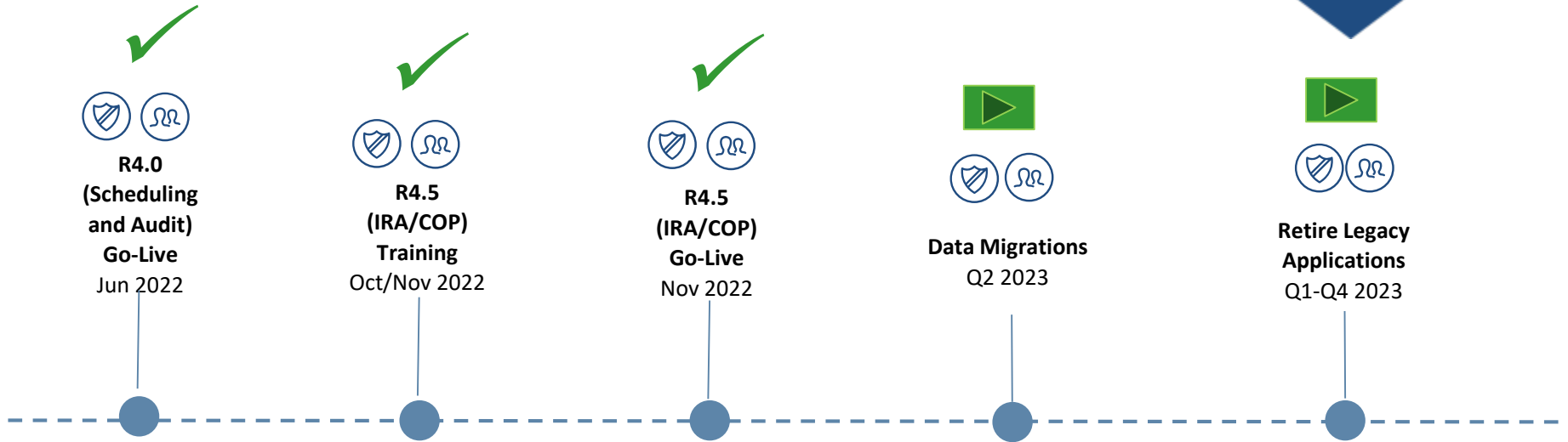RELIABILITY | RESILIENCE | SECURITY

- Purpose of 2022 CMEP and ORCP Annual Report

  - Highlight key accomplishments

  - Outline ERO Enterprise 2023 CMEP and ORCP priorities

  - Provide information and statistics regarding CMEP and ORCP activities

- Enhancements to the Annual Report

  - Modifications using outside-in approach

  - Holistic approach to include ORCP and CMEP

- Feedback welcome

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- Stakeholder Outreach

- Align and Secure Evidence Locker

- Facility Ratings

- Significant registration changes

- Reduction of older noncompliance inventory

Stakeholder Outreach

- Align and the SEL
- Facility Ratings
- Incident Response
- IRAs and COPs
- Internal Controls
- Cold weather and winterization

Align and SEL

R4.0 (Scheduling and Audit) Go-Live
Jun 2022

R4.5 (IRA/COP) Training
Oct/Nov 2022

R4.5 (IRA/COP) Go-Live
Nov 2022

Data Migrations
Q2 2023

Retire Legacy Applications
Q1-Q4 2023

AUDIENCE IMPACT KEY

Registered Entities

ERO Enterprise Staff

In progress
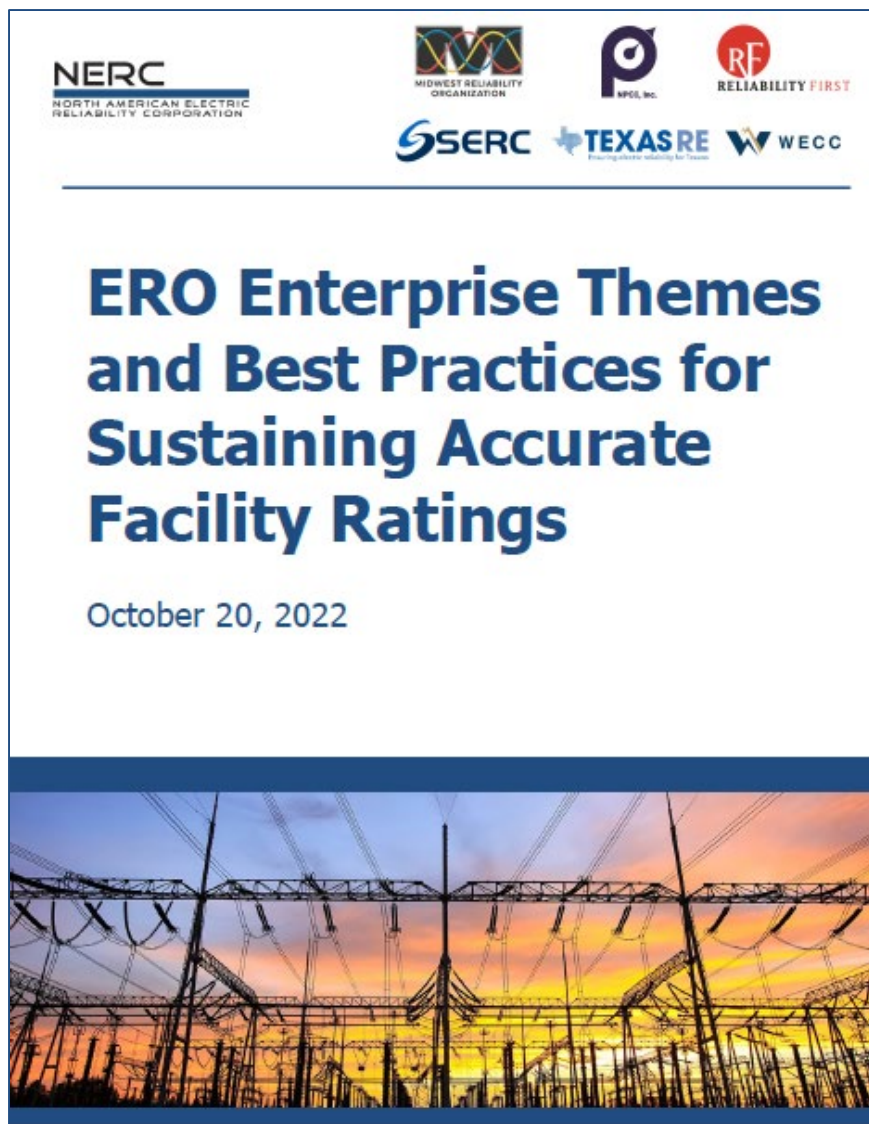
Complete

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- **OLT:** Comprised of ERO Enterprise leadership; Provides vision and executive oversight

- **PMT:** Comprised of NERC IT and ERO Enterprise compliance and enforcement leadership; initial meeting in December 2022

- **AUG:** Represents ERO Enterprise and registered entity end users; engaged and meeting quarterly

- Evaluate ERO Enterprise and registered entity tool usage

- Determine if the information entered is:

  - Appropriate and sufficient for processing

  - Conforms to ERO Enterprise expectations guidance for data confidentiality

- Identify enhancements to the Align or SEL tools

- Establish best practices

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- Most of the information entered was appropriate
  - Good examples of documentation of review throughout and appropriate use of Align fields
  - Information was detailed enough for processing
  - References to SEL included where applicable
- Information entered generally conformed to ERO Enterprise guidance for data confidentiality

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Facility Ratings

ERO Enterprise Themes and Best Practices for Sustaining Accurate Facility Ratings
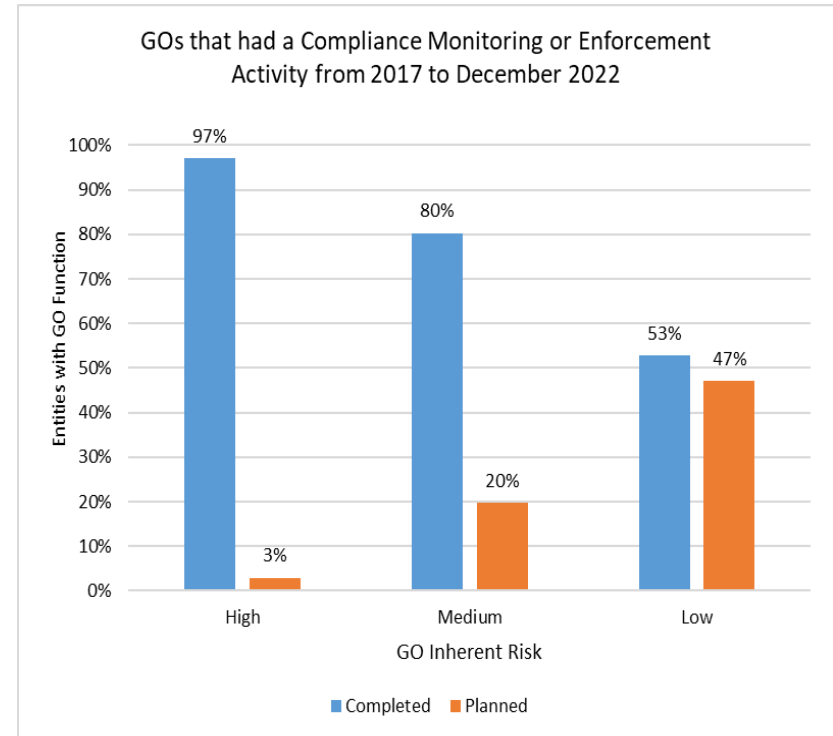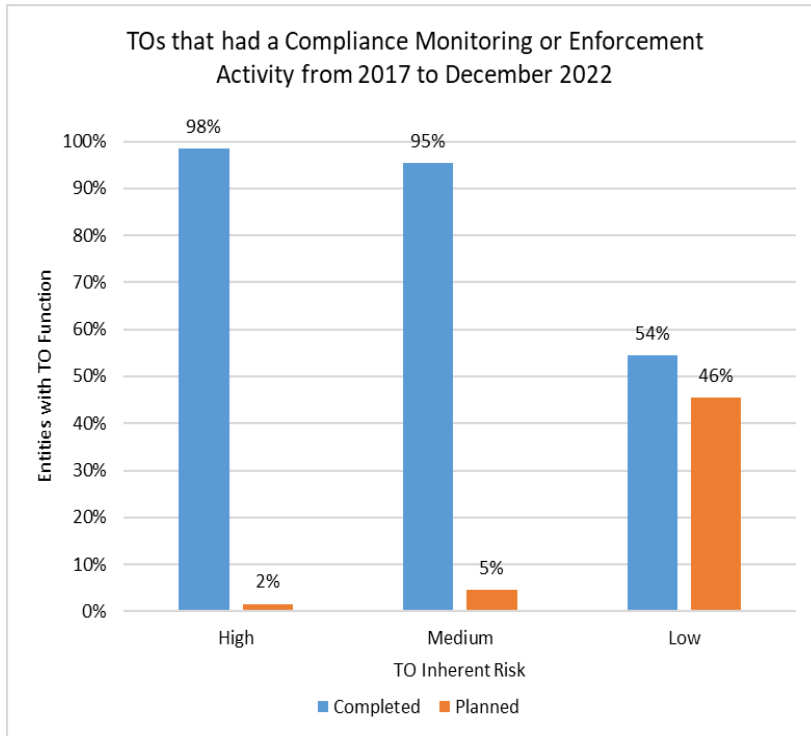
October 20, 2022

Theme 1: Lack of Awareness

Theme 2: Inadequate Asset and Data Management

Theme 3: Inadequate Change Management

Theme 4: Inconsistent Development and Application of Facility Ratings Methodologies

Impact of November 2021 Call to Action

ERO Enterprise has performed Facility Rating-related CMEP activities on nearly all high and medium inherent risk TOs and GOs.

Disposition Method of Facility Rating Noncompliance in the Past Five Years
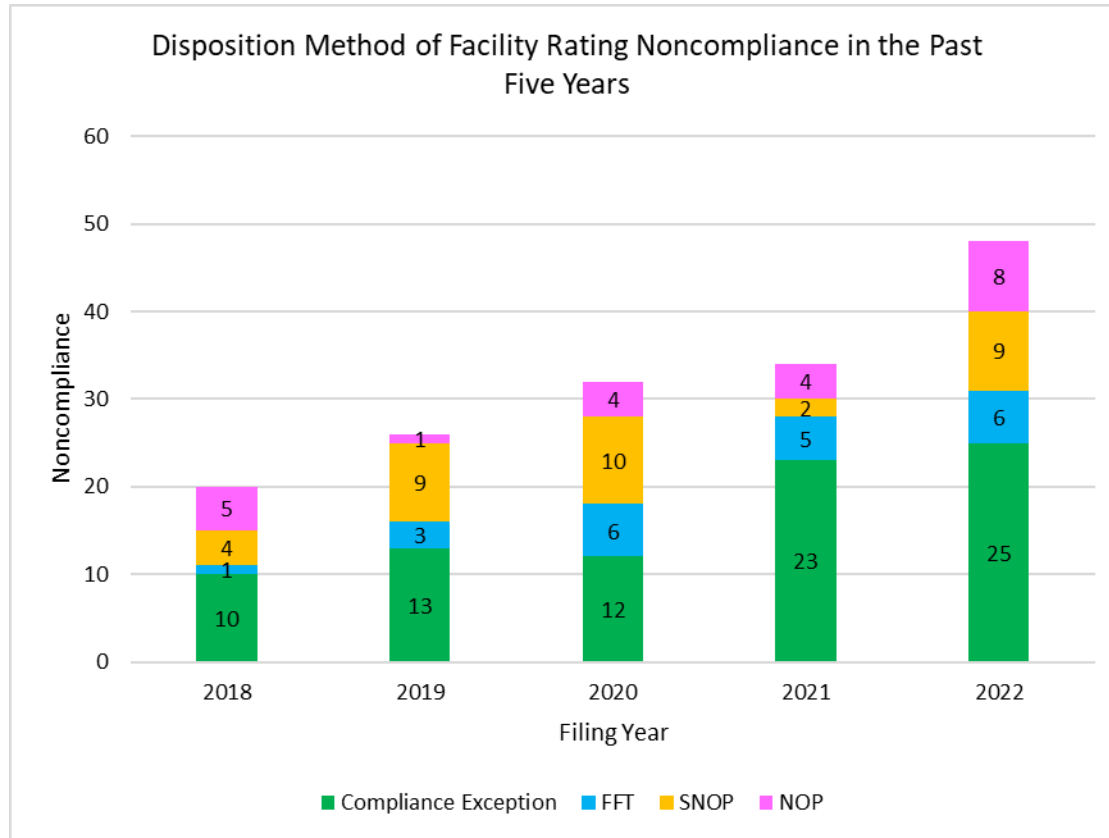
ERO Enterprise continues to use a risk-based approach in resolving Facility Rating noncompliance

Registration Changes

2022 Functional Registration Changes by Regional Entity
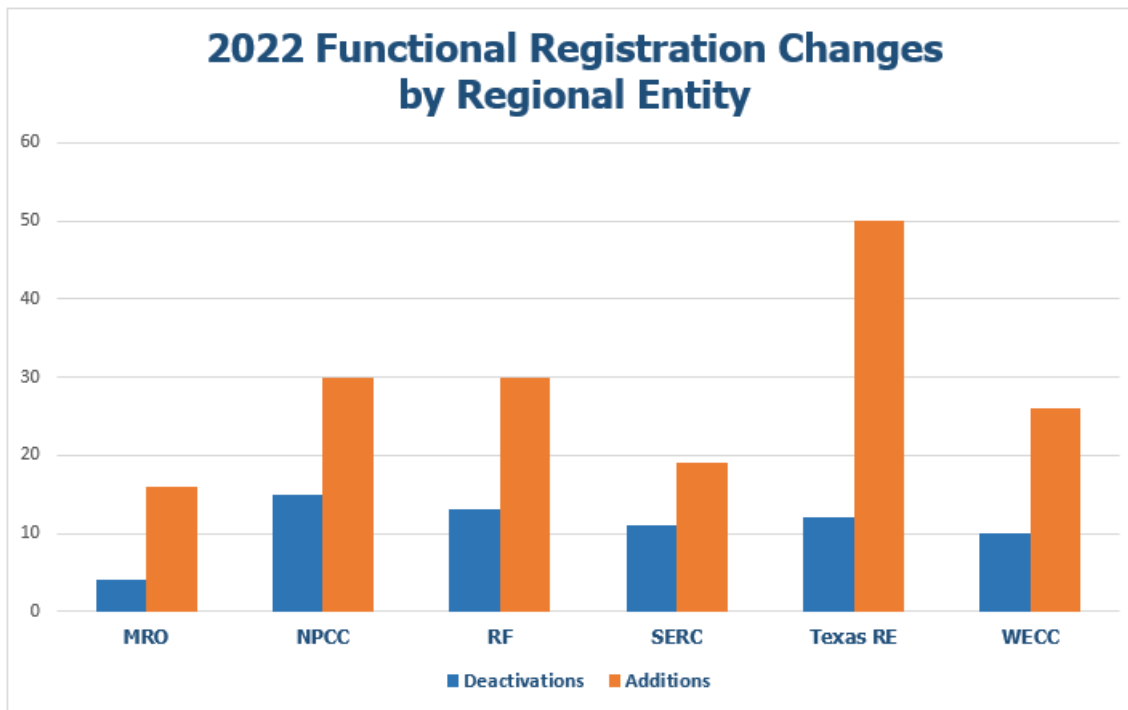
	MRO	NPCC	RF	SERC	Texas RE	WECC
Deactivations	4	15	13	11	12	10
Additions	16	30	30	19	50	26

Increasing Registration activity

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Registration Changes by Function

2022 Functional Registration Changes by Function
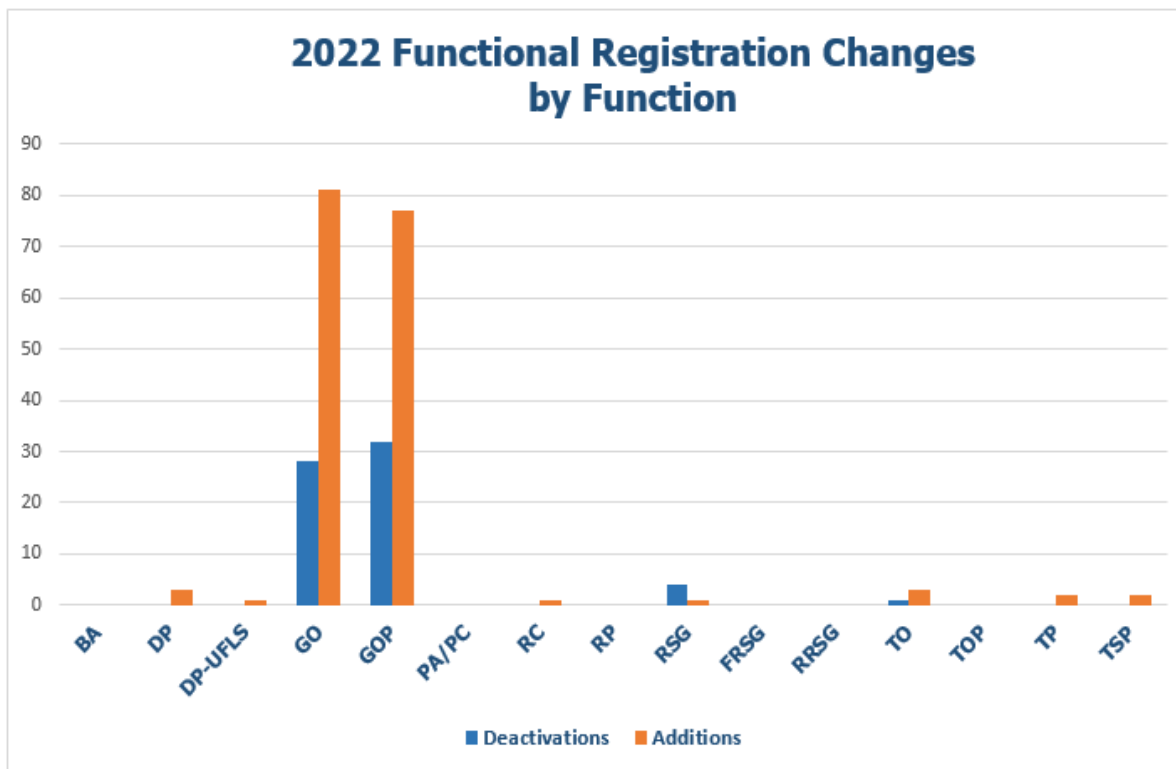
	DP	DP-UFLS	GO	GOP	RC	RSG	TO	TP	TSP
Deactivations	0	0	28	32	0	4	1	0	0
Additions	3	1	81	77	1	1	3	2	2

GO and GOP registrations are the changes

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Reduction of Older Noncompliance Inventory

Inventory Reduction in 2022
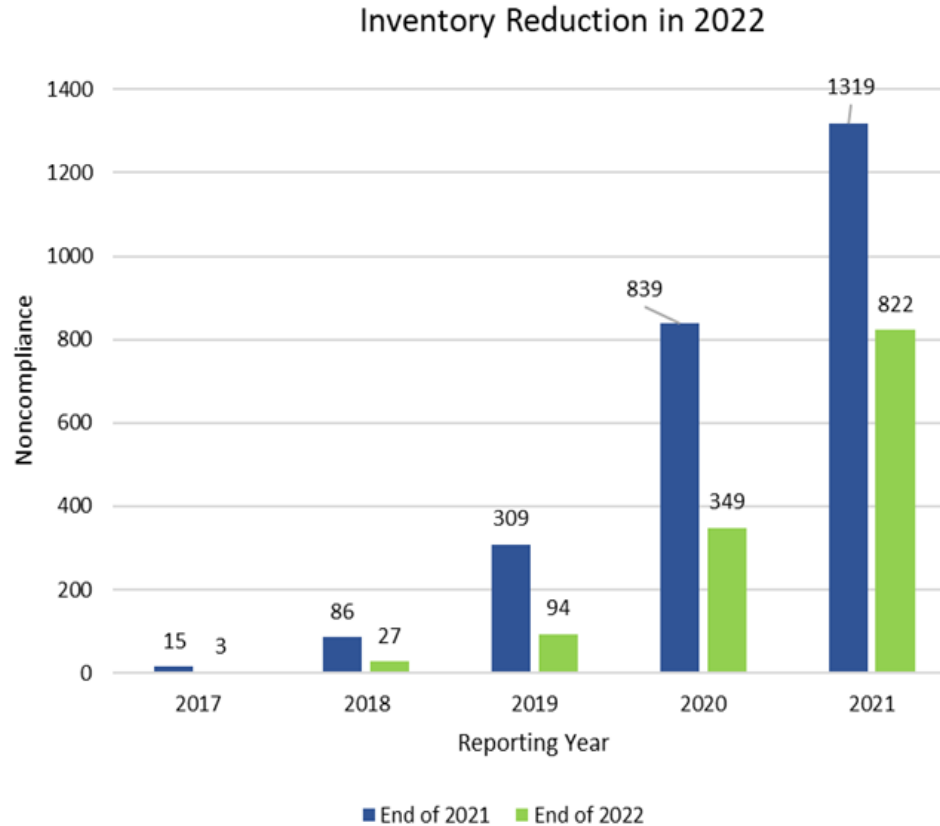
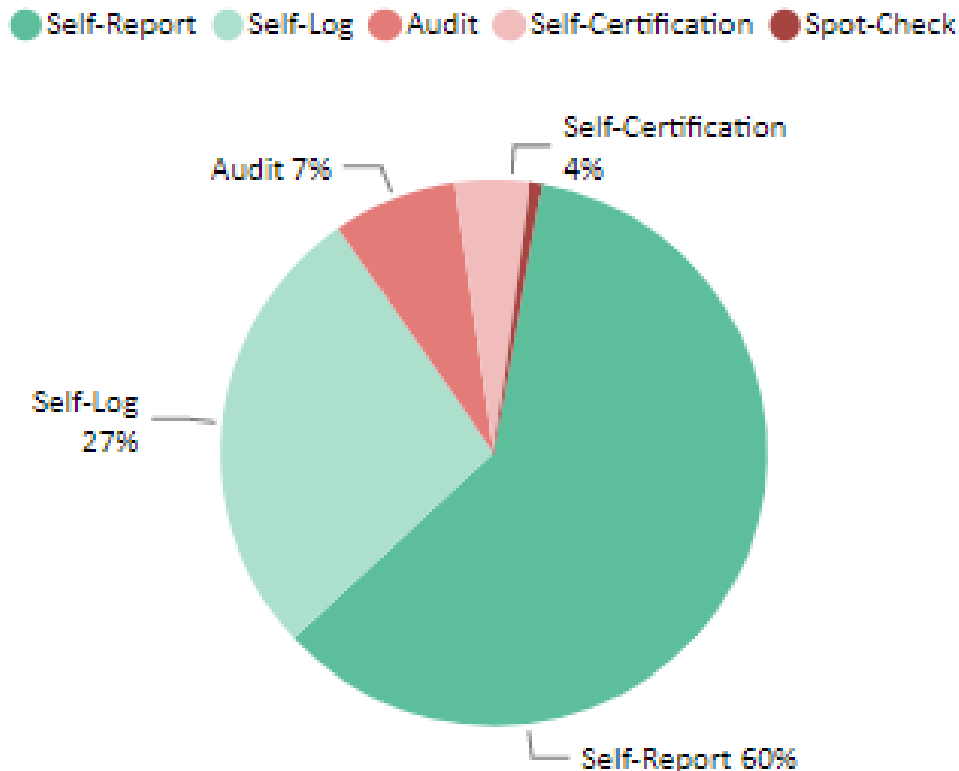**The ERO Enterprise processed nearly 70% of the open noncompliance reported in 2019 and earlier.**

2022 Disposition of Noncompliance

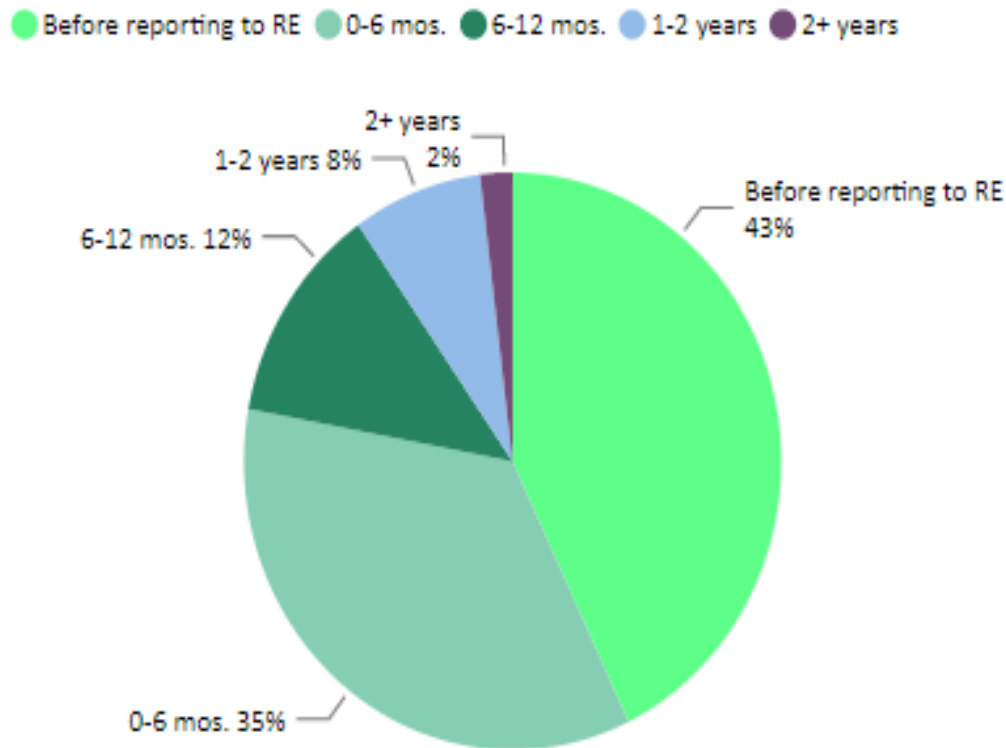Legend: SLG-CE, CE-NOT-SLG, FFT, SNOP, NOP

- NOP 11%
- SNOP 4%
- FFT 16%
- SLG-CE 22%
- CE-NOT-SLG 47%
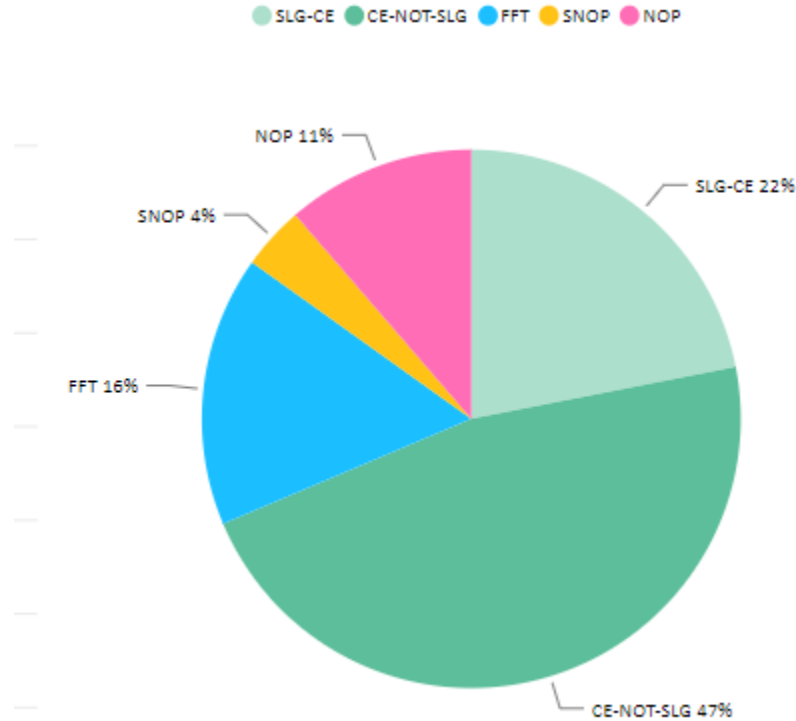
ERO Enterprise continues to take a risk-based approach to noncompliance processing

Year in Review

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Legend: Self-Report · Self-Log · Audit · Self-Certification · Spot-Check

- Self-Certification 4%
- Audit 7%
- Self-Log 27%
- Self-Report 60%

High levels of self-reporting and self-logging speeds mitigation and reduces risk to the BPS

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Legend: ● Before reporting to RE ● 0-6 mos. ● 6-12 mos. ● 1-2 years ● 2+ years

Pie chart values:
- Before reporting to RE 43%
- 0-6 mos. 35%
- 6-12 mos. 12%
- 1-2 years 8%
- 2+ years 2%

90% of completed mitigation occurs within one year of the noncompliance being reported, limiting ongoing risk to the BPS
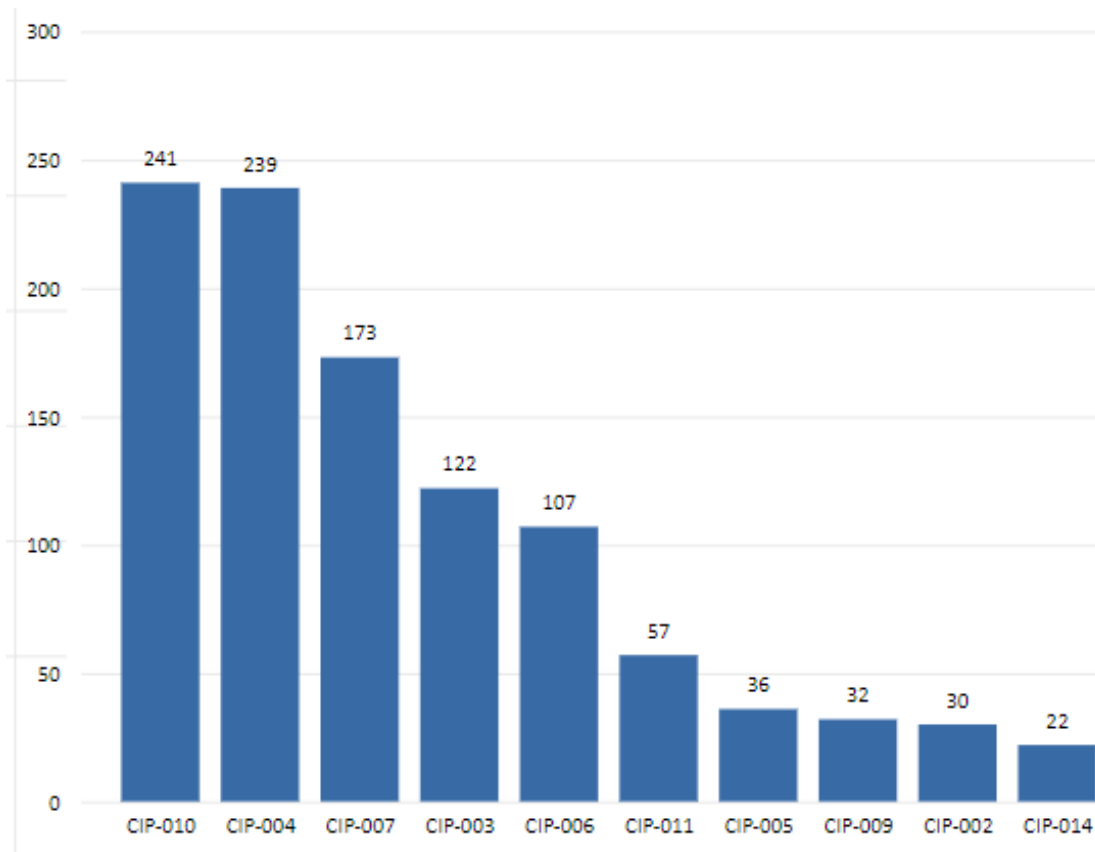
The top 3 reported CIP Standards all involve high frequency conduct
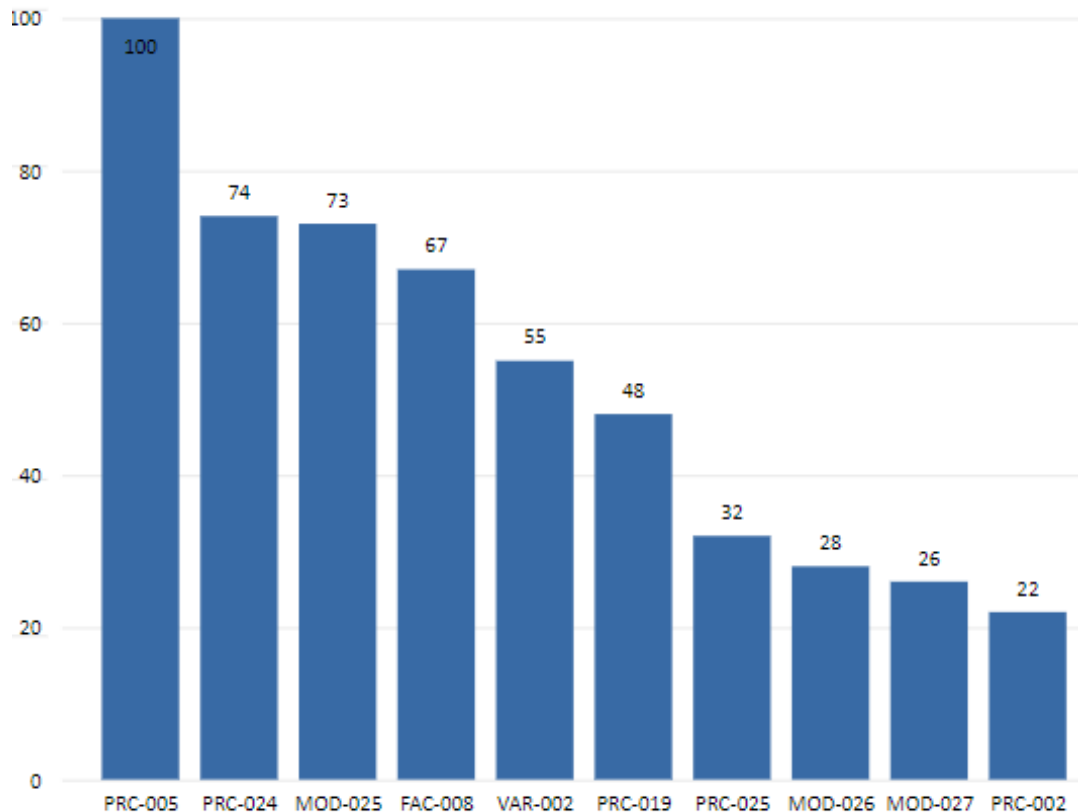
Reported O&P noncompliance involves mix of PRC and MOD Standards, Facility Ratings, and Voltage Schedules

- Inverter-based resource (IBR) directive from FERC

- Ensure appropriate registration of various resources

- Address independent audit findings

- Oversight

- Continue with prioritization and delivery of enhancements to Align and SEL

- ERO Enterprise risk management (e.g. IRAs/COPs, risk-based monitoring)

- Continue efforts to reduce older noncompliance inventory and streamline enforcement processing

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- Feedback would be appreciated
  - What is helpful?
  - What is unnecessary?
  - What is missing?

- Reach out to James McGrane (james.mcgrane@nerc.net) with any feedback

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Questions and Answers

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