

August 16, 2019

FEDERAL ENERGY REGULATORY COMMISSION
Office of Electric Reliability
Division of Compliance

Docket No. RC11-6

NOTICE OF COMPLETION OF NERC ANNUAL REVIEW OF FFT AND COMPLIANCE EXCEPTION PROGRAMS

Loye Hull:

The staff of the North American Electric Reliability Corporation (NERC) coordinated with Commission staff to conduct the annual oversight of the Find, Fix, Track and Report (FFT) program, as outlined in the March 15, 2012 Order,¹ and the Compliance Exception (CE) program, as proposed by NERC's September 18, 2015 annual Compliance Filing.² NERC and Commission staff agreed to exclude the Florida Reliability Coordinating Council (FRCC) from the survey, reducing the burden on FRCC as it focused efforts on a planned and approved termination of its responsibilities as a Regional Entity. NERC and Commission staff reviewed a sample of 27 FFT possible violations out of 47 FFT possible violations posted by NERC between October 2017 and September 2018 and a sample of 37 CE instances of noncompliance out of 898 CE instances of noncompliance posted by NERC between October 2017 and September 2018.

NERC staff believes that the FFT and CE programs are meeting expectations. Sampling for the 2018 program year indicated that the Regional Entities appropriately included all sampled possible violations (100 percent) in the FFT and CE programs and that all of the possible violations have been adequately remediated, with the exception of remaining issues with ongoing mitigation which will be remediated once the mitigation is completed. NERC noted the continued improvement in the quality of issues that were posted with a decreasing number of documentation concerns. Specifically, the identification of root cause and risk statements in FFTs and CEs has improved significantly over the past several years. NERC also noted ongoing improvement in the clear identification of factors affecting the

¹ *North American Electric Reliability Corp.*, 138 FERC ¶ 61,193, at P 73 (2012) (discussing Commission plans to survey a random sample of FFTs submitted each year to gather information on how the FFT program is working).

² *North American Electric Reliability Corp.*, Docket No. RC11-6-004, at 1 (Nov. 13, 2015) (delegated letter order) (stating "NERC's intention to combine the evaluation of Compliance Exceptions with the annual sampling of FFTs to further streamline oversight of the FFT and compliance exception programs").

risk prior to mitigation, as well as actual harm, which was identified in all samples. In addition, the FFTs and CEs sampled did not contain any material misrepresentations by the registered entities.

Based on these findings, NERC Enforcement staff concluded that the Regional Entities properly execute FFTs and Compliance Exceptions.

Sincerely,

Simran Ahuja
Enforcement Advisor

Ed Kichline
Senior Counsel and Director of Enforcement Oversight

cc: Parties in Docket No. RC11-6