

Compliance and Certification Committee (CCC) Meeting

July 24, 2024 | 2:00 – 5:00 p.m. Pacific
July 25, 2024 | 8:00 a.m. – 12:00 p.m. Pacific

California ISO (CAISO)
250 Outcropping Way
Folsom, CA 95630

[Virtual Attendees Registration Day 1](#) - ****Please register for meeting for Dial-in Information****

[Virtual Attendees Registration Day 2](#) - ****Please register for meeting for Dial-in Information****

Call to Order and Announcement of Quorum

[NERC Antitrust Compliance Guidelines](#), [Public Announcement](#), and [Participant Conduct Policy](#)

Introduction and Chair's Remarks

Security Briefing and Welcome - Dede Subakti, VP of Operations, California ISO

Special Guest – Kristine Schmidt, Board of Trustees, NERC

Consent Agenda

1. [May 2024 CCC Meeting Minutes](#) – **(Approve)** – Scott Tomashefsky

Regular Agenda

Day 1

2. State Jurisdiction Overview – **(Information)** – Lynn Costantini, National Association of Regulatory Utility Commissioners
3. Nomination of Patti Metro to the Nomination Subcommittee – **(Waive of Notice, Approval)** – Yvette Landin
4. Revision to the CCC Meeting Minutes January 24-25, 2024 - **(Waive of Notice, Approval)** – Yvette Landin
5. CCC Action Items and 2024 Work Plan Status* – **(Update)** – Silvia Parada Mitchell
6. Subcommittee Reports
 - a. Nominating Subcommittee – Lisa Milanes
 - i. 2025 – 2027 Membership Selections – (Information)

- b. EROMS – Daniela Hammons
 - i. 2023 CCC Stakeholders’ Perception Report* – (Approve)
 - ii. [Proposed Changes to NERC Rules of Procedure](#) (CCCPP-004-3 Compliance and Certification Committee Hearing Procedures, CCCPP-005-2 Hearing Procedures for Use in Appeals of Certification Matters, and CCCPP-006-3 Mediation Procedures) – (Endorse)
- c. ORCS – Tim Self
- d. CRTTF – Ellen Watkins
 - i. [Program Alignment and Consistency Reporting Tool Webinar – May 22, 2024](#) – (Update)
 - ii. [Consistency Reporting Tool](#) – (Information)
 - iii. Retire/Disband CRTTF – (Approve)
- e. CCC Executive Committee and Program Alignment – Silvia Parada Mitchell

Day 2

- 7. Q3 Focused Discussion – Use of Compliance Monitoring Processes* – Daniela Hammons**
- 8. NERC Standing Committee Coordination Group (SCCG) Meeting – (Update) – Silvia Parada Mitchell**
- 9. [NERC Board of Trustees and Members Representative Committee \(MRC\)](#) – (Update) – Scott Tomashefsky**
- 10. Enterprise-wide Risk Committee (EWRC) – (Update) – Scott Tomashefsky and Silvia Parada Mitchell**
- 11. Review of Action Items – (Review) – Silvia Parada Mitchell**
- 12. Future Meeting Dates**
 - a. October 15 – 17, 2024: North Carolina, SERC
 - b. Proposed 2025 Meeting Dates:
 - i. January 21 - 23, 2025 - Virtual
 - ii. April 2025: TBD
 - iii. July 22 – 24, 2025: TBD
 - iv. October 14 – 16, 2025: TBD

2024 CCC Action Item List - July 2024 Update

Agenda Item 4

Item No.	Project Name	Activities/Deliverables	Resource	Due Date	Comments
1	CMEP and CCC Programs and Procedures	Review CCC procedures and update as needed per EROMS schedule. In 2024, the reviews included CCCPP-010, the CCC Charter, and EROMS and ORCS Scopes.	EROMS	Q4	In progress
2	CMEP and CCC Programs and Procedures	Review CCC Charter, EROMS and ORCS scopes, update as needed	CCC, EROMS, ORCS	Q4	In progress
3	CMEP and CCC Programs and Procedures	Provide input to NERC Internal Audit, if requested	CCC	Ongoing	
4	Registration Input	Following anticipated FERC approval of the proposed changes to the NERC Rules of Procedure, ORCS will support NERC, through the ORCG with the NERC IBR Work Plans 2nd year efforts in identifying candidates for GO-IBR and/or GOP-IBR functional registration. ORCS maybe requested to provide feedback and assistance during the identification activities.	ORCS	Q4	
5	Registration Input	Participate in CORES Functional Mapping project and provide feedback, as requested	CCC, ORCS	Ongoing	
6	Compliance Input	Review and comment on CMEP Practice Guides, as requested, and work with ERO staff on intended use across REs	CCCEC	Ongoing	
7	Compliance Input	Provide input on the Evidence Request Tool and RSAWs.	EROMS	Ongoing	
8	Enterprise-wide Risk Collaboration	Provide updates regarding CCC activities, consistent with the EWRC mandate that calls for the EWRC to coordinate with the CCC with respect to the CCC's execution of its responsibilities under applicable FERC orders and the ROP.	CCC Chair	Quarterly	
9	Enterprise-wide Risk Collaboration	Share Annual Work Plan and key deliverables, provide findings of ERO Stakeholder Perceptions survey (Q2)	CCC Chair	Q2	2023 Stakeholder report draft to be shared at Q3 meeting. Work plan for 2025 to be discussed at Q3 meeting
10	Enterprise-wide Risk Collaboration	Support ERO risk assessment framework and provide input on residual risk evaluation as requested	CCC	Ongoing	
11	ERO Program Alignment	As requested by NERC, analyze issues and determine the scope and material impact.	CCC, NERC Staff	Ongoing	
12	ERO Program Alignment	Perform outreach on Consistency Reporting Tool	Consistency Reporting Tool Task Force (CRTTF) and NERC Staff	Q2	Q1 CRTTF and NERC staff developed communication plan. Dry run of presentation in Q2 Webinar conducted in June, posted on NERC website and shared throughout Regional Entity communications.
13	ERO Program Alignment	Review CCCPP-008 Procedure to update reporting options	EROMS	Q4	
14	Support of ERO Program Effectiveness	Hold "focused discussions", as outlined in CCCPP-008 (Program for Monitoring Stakeholders Perceptions), to solicit input from industry and the ERO Enterprise on objectives, content, and delivery of assessments of CMEP and ORCP effectiveness	EROMS	Quarterly	1/2024 Proposed 2024 topics presented. Completed Q2
15	Support of ERO Program Effectiveness	Support ERO development of any additional metrics to measure risk mitigation (leverage CMEP biennial reports)	CCC	Ongoing	
16	Support of ERO Program Effectiveness	Develop 2023 ERO Stakeholder Perception Feedback Report	EROMS	Q3	A. Stringer leading 2023 report drafting, with support from EROMS members. Moved report issuance to July.
17	Support of ERO Program Effectiveness	Consistent with the SC/SCCG recommendations, support activities to implement recommendations from 2022 Standards Process Engagement Stakeholder Group (SPESG) proposal.	CCCEC	Ongoing	
18	Stakeholder Collaboration	Participate in and provide feedback to Align Users Group	CCC Reps	Quarterly	CCC Chair, CCC Vice Chair, NS Chair participate in monthly AUG metings. Additional CCC members participate in quarterly industry input meetings as needed.
19	Stakeholder Collaboration	Consistent with the SC/SCCG recommendations, collaborate with SCCG and ERO leadership to facilitate solutions, enhance program efficiency, effectiveness, and agility.	CCC	Quarterly	Q1 mtg 2/13 Q2 mtg 4/3 Q3 meeting scheduled for 7/18
20	Stakeholder Collaboration	Review new or upcoming SARs to help prioritize emerging issues, as needed and work with SCCG to help prioritize workload for the standards committee.	CCC Chair and Vice Chair	Ongoing	
21	Stakeholder Collaboration	Participate in RISC meetings as representative of CCC	CCC Vice Chair	Ongoing	
22	Logistics	Develop 2025 CCC Work Plan	CCC Vice Chair and NERC staff	Q4	Draft plan presented in Q4 CCC meeting and approved in December
23	Logistics	Secure 2025 meeting locations	CCC Vice Chair and NERC staff	Ongoing	
24	Logistics	Schedule 2025 CCC work Plan approval meeting	CCC Vice Chair and NERC staff	Q1	Target 1st week of December
25	Support of ERO Program Effectiveness	Request volunteers to be scribes during Focus Discussions	EROMS	Q1	In 2024 EROMS leadership requested volunteers to take notes during focus discussions to ease 2024 report drafting.
26	ORCS volunteers for IBR RFI feedback	Request 4-6 registered entity volunteers to provide feedback to NERC team on their proposed Category 2 IBR RFI	ORCS	5/8/2024	Action item from April meeting
27	ORCS volunteers to support future IBR practice guide development	Once the RFI feedback is completed, NERC may request additional volunteers to support development of a Practice Guide similar to the Hybrid Resource Practice Guide	ORCS	TBD	Action item from April meeting
28	EROMS volunteers for review of CCCPP-009	EROMS volunteers for review of CCCPP-009	EROMS	5/8/2024	Action item from April meeting
29	Send RISC topics to the group	CCC members review list and provide any additional feedback on recommendations for impactful topics	CCC Vice Chair	5/6/2024	Action item from April meeting Completed

NERC Compliance and Certification Committee 2024 Work Plan

NERC Board Approval: February 15, 2024

Version Approved by CCC: December 7, 2023

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Introduction

The purpose of this Work Plan is to identify the anticipated activities and deliverables of the NERC Compliance and Certification Committee (CCC) for 2024. The plan is based on the responsibilities assigned to the CCC by the NERC Board of Trustees (Board) for programs across the ERO Enterprise and tasks identified by the CCC that are required to fulfill these responsibilities.

The Committee, as prescribed by [the](#) January 2007 FERC Compliance [O](#)order, upheld in the June 7, 2007 FERC Order's Key Provision 8, and enumerated in the NERC Rules of Procedure (ROP), regularly assesses NERC's adherence to the ROP for several of its programs as part of the Committee's ongoing work. As an industry committee independent of these programs, members are able to provide support and guidance relative to NERC's Compliance Monitoring and Enforcement Program (CMEP), Organization Registration and Certification Programs (ORCP), and Reliability Standards development. In 2024, the CCC will continue to work with policymakers and stakeholders to further refine the maturing and ongoing role for the CCC with respect to the ERO's adherence to its processes, procedures, and statutory obligations.

Many of the CCC projects and deliverables included in this Work Plan are intended to support the goals of the ERO Enterprise Operating Plan and the ERO Enterprise Long-term Strategy.

In addition, the CCC will support the ERO vision to address and prioritize emerging risks to reliability and security through active participation in the NERC Standing Committee Coordination Group (SCCG) and as a feedback loop in the ERO Enterprise *Framework to Address Known and Emerging Reliability and Security Risks*.

The CCC subcommittees and any subgroups established perform certain assigned tasks on behalf of and under the supervision of the CCC. In collaboration with ERO Enterprise Management, the CCC delegates responsibilities to the following subcommittees for projects and activities:

- Organization Registration and Certification Subcommittee (ORCS)
- ERO Monitoring Subcommittee (EROMS)
- CCC Nominating Subcommittee (NS)

The following pages represent an outline of the work plan deliverables and detailed project information

Vision, Mission and Guiding Principles

Vision

Effective risk-based CMEP and ORCP implemented in a consistent manner that enable the ERO Enterprise to focus resources on risks to the reliability of the Bulk Power System (BPS) and risks specific to registered entities.

Mission

The CCC is a Board-appointed stakeholder committee serving and reporting directly to the Board. In that capacity under a FERC-approved charter, and as approved by the NERC Board, and set forth in NERC's ROP, the CCC will engage with, support, and advise the Board, the Board's Regulatory Oversight Committee (ROC) and the NERC Board of Trustees Enterprise-wide Risk Committee (EWRC) regarding all facets of the NERC CMEP and ORCP.

Guiding Principles

The CCC partners with NERC leadership on a variety of key NERC initiatives and criteria for evaluation and assessment of the effectiveness of NERC programs. To support this endeavor, the CCC develops an annual work plan to identify the activities that the CCC intends to perform each year to fulfill its responsibilities and any additional responsibilities the Board has established for the CCC.

The CCC provides for balanced discussion, commentary, and recommendations on compliance issues by bringing together a diversity of opinions and perspectives from NERC member sectors.

Members are appointed to the CCC by the Board and serve on the committee at the pleasure of the Board.

Individuals serving on the committee will generally include:

- senior-level industry experts who have familiarity, knowledge, and experience in the areas of compliance, compliance enforcement, compliance administration and management, organization registration, organization certification, and NERC and Regional standards.
- normally involved with internal compliance programs within their respective organizations.

Committee members are expected to support the interests of the sector they represent, to the best of their ability and judgment.

Chapter 1: Strategic Planning Efforts

The projects included in this category are intended to address succession planning within the CCC as well as clarify the CCC's role in the broader scope of the maturation of the risk-based approach to reliability and security. Further details on these projects are shown in the following table.

Project Name	Activities	Resource(s)
Industry Collaboration and Communication	<ol style="list-style-type: none"> 1) Maintain direct involvement in the SCCG. 2) Enhance communications and participation with industry groups with a focused plan for coordination. 3) Ensure that materials developed for onboarding as-new CCC members join the CCC and to provide to for industry stakeholders looking for background information about the CCC are updated. 4) Create feedback loops with the Member Representatives Committee (MRC) and the Standards Committee (SC) and seek opportunities to create additional feedback loops with industry organizations as it relates to CMEP and ORCP activities. 5) Build upon the successful deployment of the ERO Stakeholder Perceptions Program. 	CCC, CCC Subcommittees
Enhancing CCC Program Efficiencies	<ol style="list-style-type: none"> 1) Continue evaluation of various activities and functions of subcommittees/working groups to determine ways to improve the effectiveness and efficiency of the CCC. 2) Periodically review EROMS, ORCS, and Nominating Subcommittee Scopes. 3) Explore opportunities to "cross train" across various CCC subcommittees. 4) Work with NERC to develop criteria to evaluate goals, tools, and procedures of each Regional Entity (RE) Compliance Monitoring and Enforcement Program CMEP to determine the effectiveness of each Regional Entity Compliance Monitoring and Enforcement Program RE CMEP. 	CCC, CCC Subcommittees, NERC Standing Committees, NERC Management

Chapter 2: Ongoing Responsibilities

The table below summarizes the list of ongoing responsibilities assigned to the CCC. In general, responsibilities are divided into two primary categories: 1) activities that respond to the CCC Charter and the NERC ROP, and 2) activities that support the NERC mission. Further details on the deliverables and projects are discussed in the next [section chapter](#) by project [number-name](#) identified below.

Project Name	Activities	Resource(s)
Review and Update of CMEP and CCC Programs and Procedures	<ol style="list-style-type: none"> 1) Review and monitor changes to the CMEP and other NERC initiatives that could require updates or changes to CCC programs and procedures. <ol style="list-style-type: none"> a) Annual evaluation and update of criteria for assessing effectiveness of RE CMEP activities, considering ERO input, to appropriately reflect program modification, improvements, and prior years' evaluations. b) Assess impact of risk-based CMEP implementation on: (a) monitoring practices (as embodied in CCCPP-010); (b) enforcement; and (c) Reliability Standards development. Assist NERC with annual evaluation of goals, tools, and procedures of each RE CMEP to determine effectiveness of each RE implementation of CMEP, using criteria developed by the CCC. c) Review the Board Compliance Guidance Policy with the MRC, provide stakeholder feedback on the programs and take associated actions to support improvements working in collaboration with NERC Management. d) Per the terms of CCCPP-011, conduct an annual review of the criteria for approval to become an organization seeking to be pre-qualified to submit Implementation Guidance to the ERO Enterprise. 2) Evaluate and review CCC Charter, including functions and responsibilities, and any potential ROP changes impact. 3) Explore opportunities to “cross-train” among EROMS, ORCS and NS Subcommittees. 4) Work with NERC staff to continue to improve the CCC Webpage and communication with industry with additional outreach. 	CCC, CCC Subcommittees, NERC Management
Program Support Efforts (CMEP, Standards Development)	<ol style="list-style-type: none"> 1) Identify and participate in risk-based compliance assurance outreach, such as internal controls, and feedback discussions. 2) Support rollout of key activities or CMEP and ORCP program revisions in accordance with ERO enterprise goals as requested. 3) Partner with ERO Enterprise to provide feedback on <ol style="list-style-type: none"> a) Reliability Standards Audit Worksheet (RSAW) development, EROMS provides comments. b) CMEP Practice Guides, CCCEC provides comments, as requested. 4) Review and respond to stakeholder requests to become a pre-qualified entity to submit compliance implementation guidance. 5) Evaluate results and input on stakeholder perceptions and work with NERC management on proposed resolutions. <ol style="list-style-type: none"> a) Hold “focus group” discussions that are intended to identify opportunities for the ERO Enterprise to drive specific improvements and information sharing across the ERO Enterprise. b) Participate on Align Users Group (CCC Chair, CCC Vice Chair, CCCEC Representative) 	CCC, CCCEC, EROMS, NERC Management
Assistance with Review of ERO documentation for ORCP	<ol style="list-style-type: none"> 1) Support review of ERO documentation for ORCP to identify revisions and make recommendations as programs mature. <ol style="list-style-type: none"> a) Provide additional guidance, as needed, to NERC Staff regarding the entity registration tool: Centralized Organization Registration ERO 	CCC, ORCS

Chapter 2: Ongoing Responsibilities

Project Name	Activities	Resource(s)
	System (CORES). b) ORCS participates in Functional Mapping Focus Group.	
Monitor NERC's adherence to the ROP	1) In coordination with NERC Internal Audit under Sections 405/406/506/Various NERC Appendices of the NERC ROP, participate as observers in audits of NERC in the areas of CMEP, ORCP, and Standards development, including review the final audit reports and report to the EWRC on industry observations and submit reporting where necessary. Work with NERC to develop criteria to evaluate the goals, tools, and procedures of each Regional Entity Compliance Monitoring and Enforcement Program RE CMEP to determine the effectiveness of each Regional Entity Compliance Monitoring and Enforcement Program RE CMEP.	CCC, EROMS, NERC Internal Audit
ERO Regional Entity CMEP Audits	1) As defined in CCCPP-012, participate as an observer to support RE CMEP audits executed by NERC's Internal Audit and Corporate Risk Management function, consistent with Appendix 4A of the ROP	CCC, NERC Internal Audit
EWRC Collaboration	1) Participate and support EWRC activities and discussions, a) Provide an update of CCC activities at each quarterly EWRC meeting. i) This may include review of results of Stakeholder Perception Report, update of CCC key quarterly activities, annual work plan, any topic requested by the ERWC. b) Provide summary findings related to ERO Stakeholder Perceptions conducted by CCC. 2) Participate in the annual ERO risk discussions with NERC Management and provide input into NERC's annual risk assessment, as requested.	CCC Leadership, EWRC and ERO Enterprise Management, NERC Director, Internal Audits
NERC Reliability Issues Steering Committee (RISC) Collaboration	1) Provide input to existing risks, mitigation strategies, and emerging risk identification. a) Perform outreach with stakeholders to gather input for emerging risks. 2) Participate and support RISC activities and discussions, including Reliability Risk Leadership Summit, provide updates to CCC members.	CCC Leadership, NERC Management
ERO Enterprise Program Alignment	1) As noted in the 2017 ERO Alignment Effort, the CCC collaborates with the NERC and the REs, on the ERO Enterprise's Program Alignment, to address alignment in the execution of both CMEP and the ORCP programs. To support the success of CMEP and ORCP, the CCC will a) At NERC's request, assist NERC with screening of information, support further review of reported items, and provide suggested resolutions if warranted. i) Gather information regarding potential alignment issues. ii) Evaluate nature and extent of the alignment issue. iii) Develop suggested resolution of the issue. iv) Present suggested resolution to the CCC for review and endorsement. v) Communicate suggested resolutions of alignment issue to the CCC to communicate to NERC.	CCC, CCCEC, NERC Management
Support of ERO Effectiveness	1) Manage ERO Enterprise stakeholder perception program a) Consistent with responsibilities outlined in CCCPP-008 (Program for Monitoring Stakeholders Perceptions) , lead efforts to soliciting input from	CCC, EROMS, NERC

Commented [PMS1]: Consider deleting this row as it contains similar information as item above.

Chapter 2: Ongoing Responsibilities

Project Name	Activities	Resource(s)
	<p>industry and the ERO Enterprise on objectives, content, and delivery of assessments of ERO effectiveness related to CMEP and ORCP.</p> <p>b) Evaluate results of assessments and provide recommendations for the ERO Enterprise and the Board</p> <p>c) Periodically solicit input from the industry, including the MRC</p> <p>2) Support development efforts for assessments of ERO effectiveness</p> <p>a) Work with NERC Management and the SCCG to continue to develop the processes between the NERC standing committees to ensure that all NERC committees represent a continuous improvement loop in support of reliability and security – further supporting the Framework to Address Known and Emerging Reliability and Security Risks.</p> <p>3) Act as the hearing body where NERC is the Compliance Enforcement Authority and, as directed by the Board, serve as mediator between NERC and Regional Entities on CMEP disputes.</p> <p>4) Provide stakeholder expertise to support the development and maturation of Align, Secure Evidence Locker and CORES.</p>	Management
Stakeholder Collaboration	<p>1) Identify industry stakeholder groups where CCC collaboration will strengthen ERO process and approach.</p> <p>a) Lead CCC task forces, such as the Consistency Tool Task Force formed in 2023, that are intended to provide guidance to ensure that CMEP impacts are fully considered in technical analyses being undertaken by other technical committees and the ERO Enterprise more generally.</p> <p>2) Participate in industry outreach as requested with ERO personnel on designated ERO topics.</p> <p>a) Strengthen partnerships with industry forums to work collaboratively toward consistent understanding of ERO Enterprise Programs and improvements to processes to strengthen reliability and security (NATF, NAGF, Regional Compliance Forums, Councils, Committees, etc.).</p>	CCC, Stakeholder Committees

Chapter 3: 2024 CCC Work Plan - Deliverables

Project Name	Activities/Deliverables	Resource	Date
CMEP and CCC Programs and Procedures	Review CCC procedures and update as needed per EROMS schedule. In 2024, the reviews included CCCPP-010, the CCC Charter, and EROMS and ORCS Scopes.	EROMS	Q4
	Review CCC Charter, EROMS and ORCS scopes, update as needed	CCC, EROMS, ORCS	Q4
	Provide input to NERC Internal Audit, if requested	CCC	Ongoing
Registration Input	Following anticipated FERC approval of the proposed changes to the NERC Rules of Procedure ROP, ORCS will support NERC, through the ORCG with the NERC IBR Work Plans 2nd year efforts in identifying candidates for GO-IBR and/or GOP-IBR functional registration. ORCS may be requested to provide feedback and assistance during the identification activities.	ORCS	Q4
	Participate in CORES Functional Mapping project and provide feedback, as requested	CCC, ORCS	Ongoing
Compliance Input	Review and comment on CMEP Practice Guides, as requested, and work with ERO staff on intended use across REs.	CCCEC	Ongoing
	Provide input on the Evidence Request Tool and RSAWs.	EROMS	Ongoing
Enterprise-wide Risk Collaboration	Provide updates regarding CCC activities, consistent with the EWRC mandate that calls for the EWRC to coordinate with the CCC with respect to the CCC's execution of its responsibilities under applicable FERC orders and the ROP. Share Annual Work Plan and key deliverables, provide findings of prior year ERO Stakeholder Perceptions survey report (Q2)	CCC Chair	Quarterly
	Support ERO risk assessment framework and provide input on residual risk evaluation as requested	CCC	Ongoing
	As requested by NERC, analyze issues and determine the scope and material impact.	CCC, NERC Staff	Ongoing
ERO Program Alignment	Perform outreach on Consistency Reporting Tool	Consistency Reporting Tool Task Force (CRTTF) and NERC Staff	Q2
	Review CCCPP-008 Procedure to update reporting options	EROMS	Q4
	Hold "focused discussions", as outlined in CCCPP-008 (Program for Monitoring Stakeholders Perceptions), to solicit input from industry and the ERO Enterprise on objectives, content, and delivery of assessments of CMEP and ORCP effectiveness	EROMS	Quarterly
Support of ERO Program Effectiveness	Support ERO development of any additional metrics to measure risk mitigation (leverage CMEP biennial reports)	CCC	Ongoing

Commented [PMS2]: May delete or move to overall procedure review item

Chapter 3: 2024 CCC Work Plan - Deliverables

Project Name	Activities/Deliverables	Resource	Date
	Develop 2023 ERO Stakeholder Perception Feedback Report	EROMS	Q1
	Consistent with the SC/SCCG recommendations, support activities to implement recommendations from 2022 Standards Process Engagement Stakeholder Group (SPESG) proposal.	CCCEC	Ongoing
Stakeholder Collaboration	Participate in and provide feedback to Align Users Group	CCC Reps	Quarterly
	Consistent with the SC/SCCG recommendations, collaborate with SCCG and ERO leadership to facilitate solutions, enhance program efficiency, effectiveness, and agility.	CCC	Quarterly
	Review new or upcoming SARs to help prioritize emerging issues, as needed and work with SCCG to help prioritize workload for the standards committee.	CCC Chair and Vice Chair	Ongoing

Chapter 4: Logistics and NERC Budget Requirements for CCC Activities

As part of the ongoing effort to improve effectiveness and efficiency, and to ensure that all CCC members can fully participate, for 2024, the CCC's first quarter meeting will be fully virtual, and the remaining meetings will have a hybrid option.

CCC Quarterly Meetings (Cost to be determined by NERC and industry, if applicable)

Assumptions: Four CCC meetings per year, via WebEx ~~or~~ and in-person.

- NERC staff attendance
- NERC travel expenses
- Hotel (Conference rooms if applicable – normally hosted at stakeholder locations or NERC offices)
- Food

CCC Program Audits/Review

In 2024, no audits are planned and no related expenses expected.

Webex/Conference Calls (Cost to be determined by NERC)

Assumptions: Conference calls, including CCC/Subcommittees conducted via NERC Webex, ~~or conference calls quarterly.~~

Training (Cost to be determined by NERC)

Assumptions: Half-day of hearing training appended to regular CCC meeting at least every three years.

CCC members should have the capability to assist with observation and creation of audit criteria to fulfill responsibilities under the CCC charter to conduct audits of NERC's adherence to the ROP. Learning programs are provided, to those new member participants, ahead of the audit activities and will be conducted as needed.

Chapter 5: Revision History

Revision History

Date	Version Number	Comments
November xx, 2023	1	CCC Executive Committee Review
December 7, 2023	2	CCC Review and Approval

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Agenda Item 5bi

Stakeholders' Perception Report

Compliance and Certification Committee (CCC)

July 2024 – Final (Pending CCC Approval)

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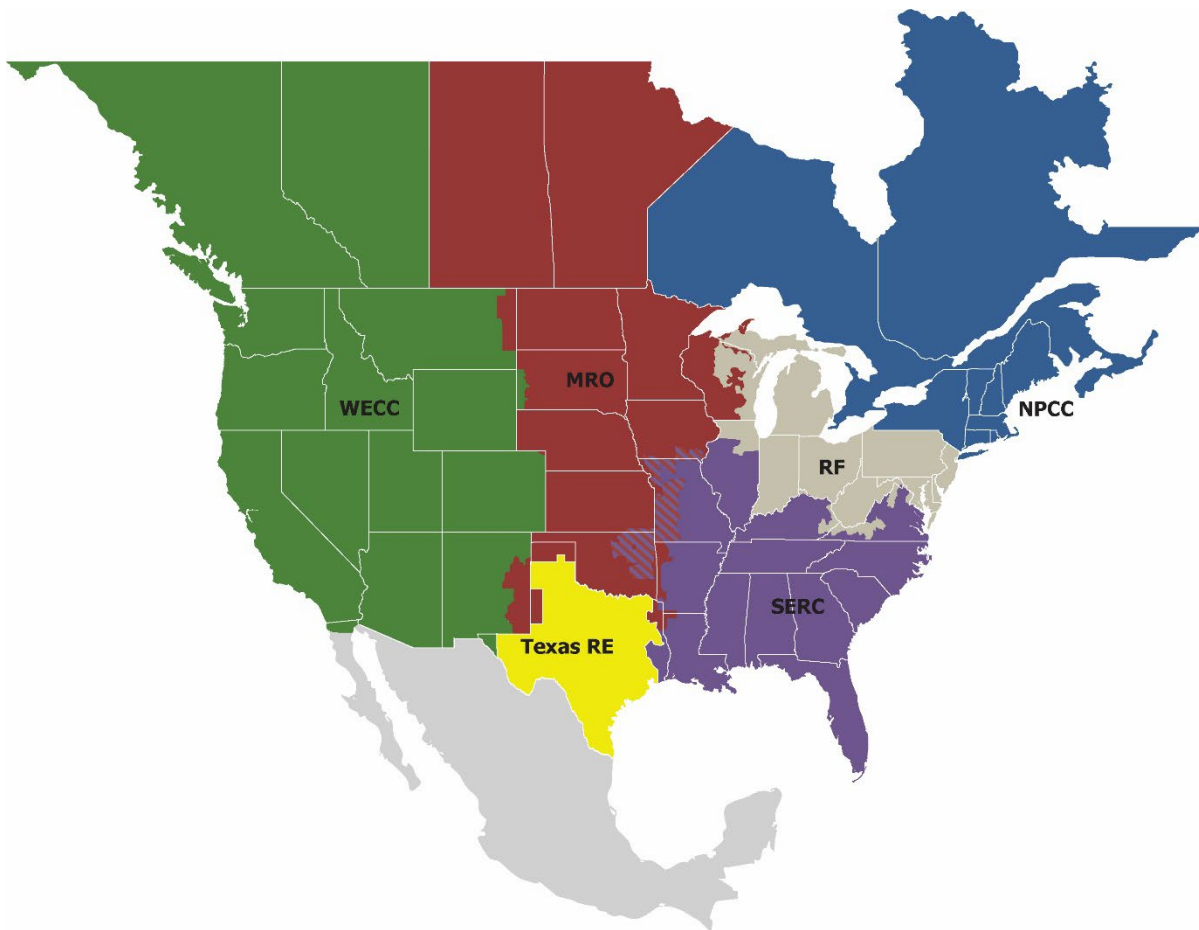
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable, resilient, and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is made up of six Regional Entities as shown on the map and in the corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Regional Entity while associated Transmission Owners/Operators participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	WECC

Executive Summary

In 2023, the Compliance and Certification Committee (CCC) executed the Stakeholders' Perception Program ("Program"). The Program areas were focused on those topics that presented the greatest risk, the most opportunity for improvement or had experienced the greatest change. The elements of the Program are presented as follows:

2023 Plan to Assess Stakeholder Perceptions

- 1) *We will solicit feedback and discuss the following topics at the quarterly NERC Compliance Certification Committee meetings:*
 - Q1 2023 – ERO Enterprise Program Alignment Process and Consistency Efforts
 - Q2 2023 – Framework to Address Known and Emerging Reliability and Security Risks
 - Q3 2023 – Measuring Residual Risk and Self-Logging
 - Q4 2023 – Align/Secure Evidence Locker (SEL) Feedback
- 2) *We will partner with industry stakeholders to gather additional input*

In general, for 2023, the stakeholder perception and comments illustrated positive trends in evaluations, indicating industry's view of continued enhancements to the ERO Enterprise programs, efficiency and effectiveness.

Industry feedback of strengths included the themes:

- Examples In general, Compliance Monitoring Enforcement Program (CMEP) staff have been open to industry feedback and implemented program improvements.
- Align and SEL tools continue to mature. Align Users Group has been open to feedback from industry and continues to make improvements. Transparency on issue status and resolutions has improved.
- Risk-based CMEP activities continue to mature, appreciate the discussions on inherent and residual risk as they impact the industry's oversight programs.

Industry feedback for improvement included the themes:

- Earlier and additional opportunities for communication and training on new ERO processes or tools, such as Align and the Consistency Reporting Tool, and upcoming Inverter Based Resources (IBR) non-BES registration.
- In support of risk-based framework, continue to streamline CMEP processes, such as self-logging and closure of low-risk enforcement actions. This will reduce the administrative burden for the ERO Enterprise and industry, increasing focus on higher risk to the BPS issues.
- Opportunity to increase collaboration between Standards and CMEP groups to ensure requirements being developed or updated are clear and auditable.

In the spirit of collaboration and support for ERO Enterprise success, the CCC respectfully submits the following recommendations:

- The CCC recommends increased transparency, outreach, and clarity around the Consistency Reporting Tool processes and solutions.
- The CCC recommends further awareness/education and collaboration on the implementation of the risk framework.

- The ERO should consider developing metrics to determine how success within the risk framework is defined.
- The CCC recommends the CCC, Reliability and Security Technical Committee (RSTC) and Standards Committee (SC) have representation on the Standards Grading Task Force.
- The ERO should consider defining how the ERO is measuring residual risk and what tools they have to measure and address residual risk.
- The ERO should consider how standing committees and industry feedback on residual risk can best be incorporated into Reliability Issues Steering Committee (RISC) processes.
- The CCC recommends streamlining the self-logging process and reducing administrative burden to increase participation.
- The CCC recommends the ERO provide Align/SEL backlog and schedule for widespread visibility to industry.
- The ERO should consider having developers on the Align quarterly calls to discuss feasibility of addressing issues identified

For the stakeholders' perception activities during 2024, the CCC intends to focus on the following items:

- Standards Prioritization and the Role of CMEP
- Value and Use of Guidance Tools in Support of Agility and Reliability
- Use of Compliance Tools for Compliance Monitoring Processes
- Best Use of Align's Capability
- Progress on Align/SEL Fixes and Enhancements

The CCC appreciates the opportunity to provide a Stakeholders' Perception Report related to the ERO Enterprise execution of the programs associated with the CCC's chartered scope of work. The report summarizes a diverse and wide area view of industry's perceptions and recommendations. There is a recognition of many areas of improvement and many areas of opportunity. The CCC looks forward to continued partnership with and support of the ERO Enterprise's success. We value the opportunity to collaborate on solutions or improvements to the opportunities relative to the programs and processes that will bring value for all stakeholders.

Introduction

In the capacity of a NERC board-appointed stakeholder committee serving and reporting directly to the Board of Trustees (Board) under a NERC Board-approved charter, as approved by FERC, and as set forth in the Rules of Procedure (ROP), the CCC will engage with, support, and advise the NERC Board and its Regulatory Oversight Committee (ROC) regarding all facets of the NERC CMEP, Registration program, and Certification program.

Included in the duties of the CCC, as described in the CCC Charter, is the responsibility to provide comments and recommendations to the NERC Board and its ROC, the Board's Enterprise-wide Risk Committee (EWRC), and NERC staff with respect to stakeholders' perceptions of the policies, programs, practices, and effectiveness of the CMEP, Registration program, and Certification program. The CCC Process and Procedure ("CCCPP")-008 describes the program and associated processes utilized by the CCC to fulfill this responsibility:

- As noted in the NERC Board approved CCC Charter, monitoring by the CCC is ongoing and does not preclude, interfere with, or replace, in whole or in part, the Board's responsibility to conduct and provide such reviews of these programs as required by FERC regulations, 18 C.F.R. § 39.3(c): "The Electric Reliability Organization shall submit an assessment of its performance three years from the date of certification by the Commission, and every five years thereafter."
- The CCC will provide NERC an assessment of stakeholders' perceptions regarding the policies, programs, practices, and effectiveness of the NERC CMEP, Registration program, and Certification program using the processes described below. Information received from these monitoring processes will be vetted by the CCC and shared with NERC Management, the EWRC, the Board, and the ROC.
- The CCC and NERC Staff will work in collaboration to assess stakeholders' perceptions on initiatives and/or issues related to policies, programs, practices, and effectiveness. This process may be included as part of the CCC's annual work plan, which is prepared by CCC leadership and approved by NERC's Board. Initiatives and/or issues to gauge stakeholders' perceptions may include, but may not be limited to, new standards development and implementation, outreach and education, CMEP tools, and/or initiatives linked to internal audit recommendations.

The program was designed to contribute observations and potential recommendations in support of ERO Enterprise success as follows:

- Lead efforts to develop a successor to the ERO Effectiveness Survey by soliciting input on objectives, content, and delivery of assessments of ERO effectiveness, without creating duplicative work for industry or the ERO Enterprise.
- Ensure that information gathered from industry provides insights that can be used to improve the efficiency and effectiveness of the CMEP.
- Evaluate results of assessments and provide recommendations for the ERO Enterprise and the Board.

As an additional consideration, the results of the work plan can serve as a feedback loop for consideration in engagement planning for the collaborative efforts of the CCC and NERC Internal Audit.

In addition to those items noted above, the stakeholders' perception process serves as an input to assess and ensure the effectiveness of the ERO Enterprise programs as a contribution to the continuous improvement loop as described in the ERO Enterprise Framework to Address Known and Emerging Reliability and Security Risks ("Framework"). As an excerpt from the Framework describes, "The ERO's mission requires establishing a consistent framework to identify, prioritize, and address known and emerging reliability and security risks. The Framework to Address Known and Emerging Reliability and Security Risks identifies the policies, procedures, and programs developed by the ERO to support its mission and incorporates them into an iterative six-step risk management framework. The mitigation

of risks to Bulk Electric System (BES) reliability and security are classified according to the likelihood of the risk occurring and the severity of its impact. The ERO's policies, procedures, and programs are mapped to target risk mitigation against severity and likelihood. Further, the associated Whitepaper reviews how resilience is an important component of reliability risk management. Finally, the whitepaper considers the application of ERO policies, procedures, and programs, within time required to apply the mitigation and the likelihood and severity".

The CCC serves as one input to the Framework in support of the ERO ecosystem. Its role is to gather and provide input regarding a subset of the programs – referenced as critical - in support of the ERO mission and mitigation of risk to BPS reliability and security. The CCC continues to work with NERC Management and the NERC Standing Committee Coordination Group (SCCG) to formalize the processes between the NERC standing committees and ensure that all NERC committees represent a continuous improvement loop in support of reliability and security.

One of the tools that the CCC utilizes to close the continuous improvement loop in support of reliability and security is through focused discussions with the ERO Enterprise. This report contains stakeholders' perceptions and feedback from the focused discussions held in 2023. In several of the focused discussions, ERO Enterprise staff provided presentations and discussion materials to collaborate with framing the discussion and seeking feedback from the industry on specific aspects of the program. The CCC appreciates the partnership in these discussions and found great value in the information provided by the ERO Enterprise as a critical inject to the process to ensure the feedback is informed with facts and opportunities for robust dialogue.

Below, please find the 2023 program to assess stakeholders' feedback using quarterly focused discussion topics and project/task force work, with a report to be published in 2024 to the EWRC, the Board and for industry.

Chapter 1: ERO Enterprise Program Alignment Process and Consistency Efforts

Prior to the issuance of the NERC Board approved Compliance Guidance Policy, dated November 5, 2015, industry stakeholders provided feedback in every ERO Enterprise Effectiveness Survey regarding inconsistent application of the CMEP provisions and concerns with the execution. The feedback primarily addressed inconsistency across regional footprints, however, was not limited to this characterization. The NERC Board convened a team including the Members Representative Committee (MRC), NERC standing committees, and NERC Management to work to address the issues to resolve the matter and speak to industry concerns. At minimum, three actions came from that cross functional team to solution concerns: Compliance Guidance Policy, Program Alignment Initiative (including responsibilities given to the NERC CCC), and the Consistency Reporting Tool. All in the timeframe of 2015 – 2017.

In 2017, the NERC Board established the **ERO Program Alignment Initiative**¹, which was intended to further address alignment in the execution of the CMEP and Organization Registration & Certification Program (ORCP) throughout the ERO Enterprise.

At the time, the focus was on consistency as perceived by industry, as there were several reports where various CMEP/ORCP activities were being treated differently across the regions. This had been captured in numerous ERO Enterprise Effectiveness Survey. The Board stepped in to request that consistency and alignment issues be provided a path for reporting and resolution.

In response NERC contracted with a third-party provider to develop the **Consistency Reporting Tool**². This tool was created to allow industry to raise questions where there may be potential areas of inconsistency in the approaches, methods, or practices executed by the Regional Entities. Once an issue is raised, it is included in an “Issues and Recommendations Tracking” spreadsheet, which is periodically updated to display the status of various requests that have been raised by industry (or status of Practice Guides by NERC staff).

The **Issues and Recommendations Tracking**³ spreadsheet was – through program design – reviewed with the CCC Alignment Working Group (AWG) for additional input and to assist the ERO Enterprise with solutioning the reported issues. The CCC AWG was later disbanded with the interface transitioning to the CCC Executive Committee (CCCEC). However, the discussions on this topic with the CCCEC have fallen off in the last few years. This may be due to the fact that to date, a total of forty-three issues have been placed on the Issue and Recommendation Tracking, with very few issues being placed in recent years.

The ERO Enterprise Program Alignment Effort is “intended to enhance efforts to identify, prioritize and resolve alignment issues across the ERO Enterprise.” However, as noted above, industry response to this initiative through the Consistency Reporting Tool has been significantly less than what was expected by the CCC when the program was initiated in 2017.

Along those lines, it is worth noting there have been several significant changes in approach to BPS reliability, security, and resilience since a detailed assessment of program alignment was last considered, including the development of the Risk Framework for Known and Emerging Risks and the reconstitution of the SCCG work. The CCC anticipates that this effort can help inform how to best align the program alignment process with current tools being used by the ERO Enterprise to reduce risk.

¹ Link to ERO Program Alignment Efforts document (August 2017) [ERO Enterprise Program Alignment Efforts](#)

² Link to the Consistency Reporting Tool: [EthicsPoint - North American Electric Reliability Corporation](#)

³ Link to [Issues and Recommendations Tracking Spreadsheet](#)

Successes and Opportunities

While the Consistency Reporting Tool was intended to enhance program alignment, industry engagement has been limited. As a result of discussions during the meeting, NERC was able to post an episode on the Currently Compliant Podcast specific to the Consistency Reporting Tool. However, there are several aspects of the Consistency Reporting Tool that remain opportunities, a few are listed here:

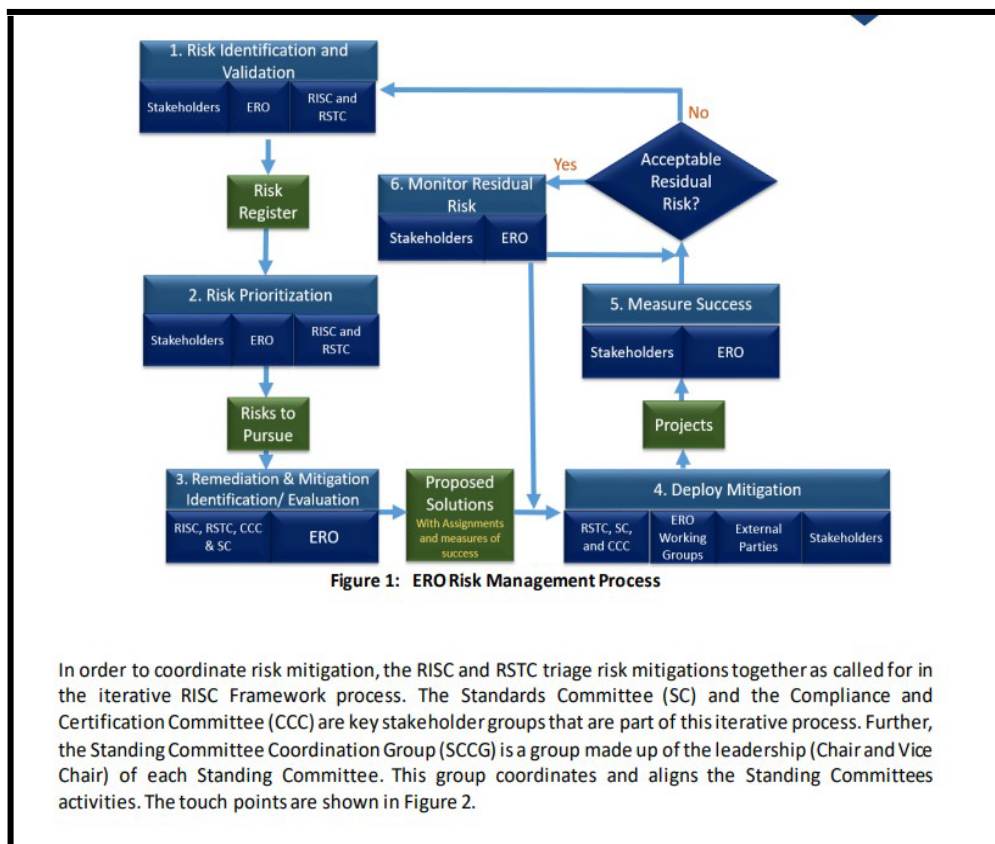
- Increased transparency, outreach, and clarity around the reporting process and resolution are needed to realize its full potential.
- Many industry participants are unaware the tool exists or the purpose of the tool. Better promotion and outreach are needed to increase awareness of the tool.
- The ERO Enterprise webpage provides limited information about the Program Alignment Process and Consistency Reporting Tool, the content needs an update.
- Facilitating experience sharing across regions could help identify inconsistencies to report.
- Entities may be reluctant to use the tool due to concerns about potential blowback or retaliation from Regional Entities if inconsistencies are reported.
- It is unclear how resolutions are communicated. Consider promoting successes/resolutions of issues reported.

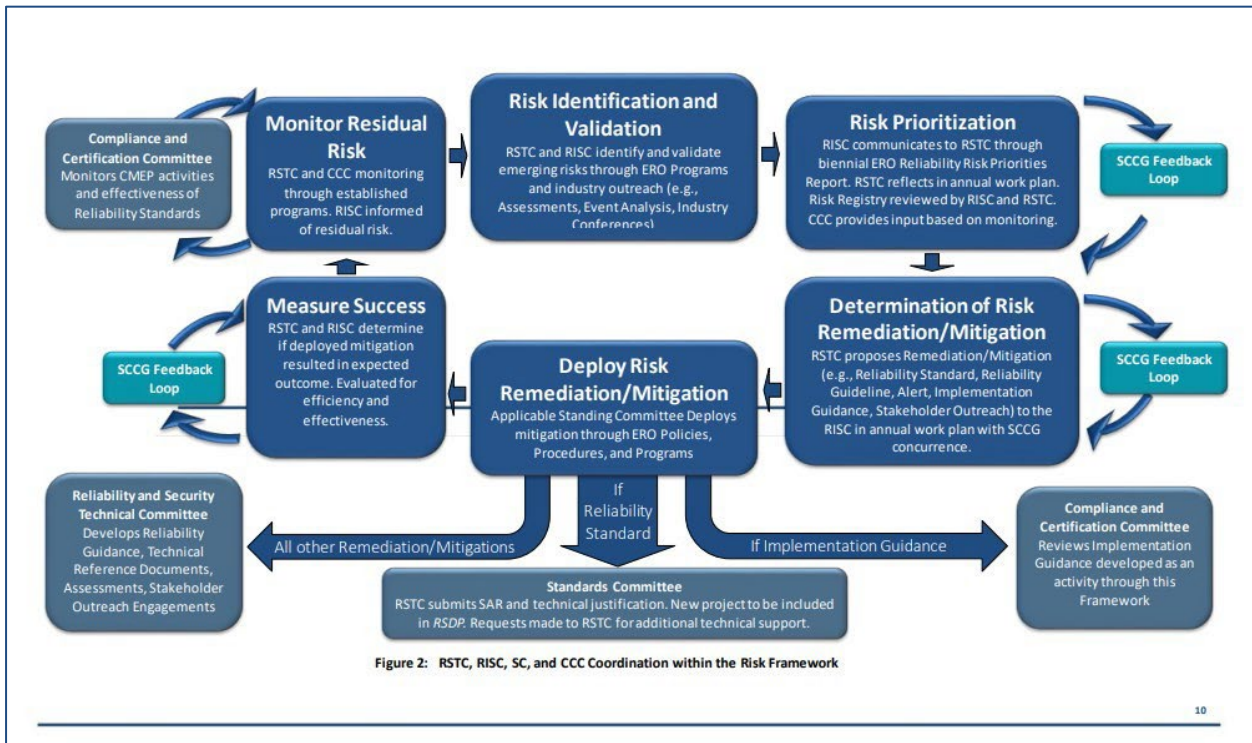
Recommendation: The CCC recommends increased transparency, outreach, and clarity around the Consistency Reporting Tool processes and solutions. The NERC CCC Consistency Reporting Tool Task Force (CRTTF) was formed in 2023 and supports the CCC's role in assisting the ERO address consistency issues, as envisioned by NERC when the ERO Enterprise Program Alignment Effort was initiated in 2017.

Chapter 2: Framework to Address Known and Emerging Reliability and Security Risks

In February 2021, the NERC Board of Trustees approved a document that memorializes the process by which reliability risks are identified, prioritized, and addressed within the ERO Enterprise. The document describes what is commonly known as the Framework to Address Known and Emerging Reliability and Security Risks (“Framework”). In its broadest sense, the Framework aligns with the ERO mission and provides an important extension of the ERO’s core activities. Its success is dependent on careful coordination between NERC and the regions, as well as the industry committees that support the Framework.

Within the sections of the actual Framework document are references to several NERC tools and Program steps that are used to assess risk. Figures 1 and 2 illustrate these programs, highlighting the relationship between the activity being addressed, the particular work product being developed, and how success is measured.





Stakeholder Groups Involved with the Framework

Four committees are highlighted as key stakeholders in the Framework, including the Standards Committee (SC), CCC, Reliability Issues Steering Committee (RISC), and the Reliability Security Technical Committee (RSTC).

In the Framework there are numerous references to the Standing Committee Coordination Group (SCCG) which is representative of all the Chairs and Vice-Chairs of NERC’s Standing Committees – RISC, RSTC, SC and CCC. The CCC has been receiving a report quarterly from the SCCG meetings to ensure visibility to the discussions. The CCC, working through the SCCG and NERC leadership, continues to look for opportunities to engage in feedback loop discussions and reinforce the importance of compliance perspectives as a consideration through the feedback loops. Additional definition and understanding may be needed to appreciate the value the framework more fully.

The ERO hosts the RISC Leadership Summit every other year and from the discussions produces the ERO Reliability Risk Priorities Report. The last RISC Summit was hosted in January 2023 and the report was accepted by the NERC Board in August 2023. The associated Emerging Risks Survey reiterated that Grid Transformation, Security Risks, Critical Infrastructure Interdependencies, and Extreme Events are still relevant categories of focus. Changing Resource Mix, Resource Adequacy and Performance, and Cybersecurity Vulnerabilities ranked as the top three identified risks as well as the top three to manage versus monitor of risks.

CCC Roles and Responsibilities in the Risk Framework

The CCC is involved in all elements of the Framework, although the level of direct involvement varies depending on the risk coordination categories. At the highest level (Risk Identification and Validation), the CCC holds a seat on the RISC, providing the committee with an opportunity to shape ERO discussions regarding risk prioritization. The Committee has a specifically-referenced role in two areas. Under Category 4 (Deploy Mitigation), the CCC is assigned to review the development of Implementation Guidance prior to industry submitting proposed Guidance to the ERO Enterprise. Under Category 6 (Residual Risk), the CCC is responsible for measuring the effectiveness of a reliability standard that has been developed, as well as residual risk, to be reported back to the RISC through specific metrics.

Indirectly, the CCC is supporting the Framework by making committee members available for: 1) quality review

activities related to the development of new standards, 2) participation in a Joint SC/CCC Task Force evaluating the future of the Standards Grading Tool, and 3) continued support for NERC Internal Audit work.

Successes and Opportunities

The Risk Framework continues to mature and each of the technical committees has been reviewing its effectiveness through their specific vantage point. The SCCG did a review and provided input on how to improve the overall risk framework and more clearly define each of the technical committees' inputs. As a member of the SCCG, the CCC provided input on various related activities, including:

- Review of the SAR form and development process and recommended improvements.
- Supported development of metrics to measure success.
- Facilitated participation in Standards Grading Task Force.

Several areas of the risk framework that remain opportunities and will be addressed in 2024, are listed here:

- Continue to help industry have a greater understanding about how the feedback loops work in practice.
- Improve the Standards Grading process.
- Improve communication of the results of monitoring based on the six-step framework.

Recommendations:

- Further awareness/education on the risk framework and associated metrics.
- Monitor existing metrics or develop new metrics to determine what success within the risk framework looks like.

Chapter 3: Measuring Residual Risk and Self-Logging

It is important to define the term residual risk as it relates to the ERO Enterprise. This is done by understanding the distinction between inherent risk and residual risk. Inherent risk can be viewed as the risk that exists without consideration of internal controls and mitigation measures. Residual risk is the amount of risk that remains after internal controls and risk mitigations are applied. As an example, in the current dialog the ERO Enterprise is engaged in with respect to Inverter-Based Resources (IBR), inherent risks have focused on actions resulting from incorrect protection settings within the devices and collection/modeling of sub-BES interconnected devices. Residual risks could be characterized as the risks that remain after further IBR incorporation/penetration concentrations are examined.

The concept of residual risk is intended to play a critical role in the success of the framework to address known and emerging reliability and security risk. As risks are regularly identified, evaluated, and recalibrated by the ERO Enterprise through the leadership of the RISC, residual risk can be used as a tool to help determine how to optimize resources and reprioritize risk priorities over the traditional two-year assessment cycle.

NERC's Self-Logging Program is a reporting approach that allows a registered entity to log noncompliance events in lieu of submitting self-reports to the ERO Enterprise. Under the Self-Logging Program, registered entities that are approved to participate in the program maintain a log with a detailed description of noncompliance events, an associated risk assessment, as well as a list of mitigating activities that address the issue or are expected to address the issue. It is currently limited to noncompliance that poses minimal risk to the reliability of the BPS.

The program was originally promoted as a way for registered entities to rely on strong controls to identify, assess, and correct minimal risk noncompliance to streamline their reporting, and to foster efficiency and reduce certain formal administrative processes associated with individual Self-Reports. Industry has not generally seen the widescale value of joining the program; NERC and the CCC have been analyzing this disconnect for over two years.

Successes and Opportunities

Related to residual risk, the Reliability RISC Report is an input used by industry for a broad perspective on how identified risks affect the system. Related to Self-Logging, in July 2021, the CCC, as part of its annual joint meeting with the SC, specifically addressed industry experiences with self-logging with the goal of identifying opportunities for NERC to improve the value and ultimately industry participation in the self-logging program. There are several aspects of residual risk and Self-Logging that remain opportunities, a few are listed here:

- Lack of understanding and communication on how the ERO Enterprise defines residual risk and the tools available to address it.
- Need to define and better understand the ERO Enterprise residual risk tolerance and risk appetite.
- Consider establishing Key Performance Indicators as part of the Standards Development Process.
- There is a need for clearer definitions and understanding of the different frameworks and their linkages, such as the Framework to Address Known and Emerging Risks to Reliability and Security and the ERO Enterprise Risk-based Compliance Monitoring Framework.
- There is a need to assess how the SCCG should be engaged within the Risk Framework.
- Consider incorporating a risk aspect to the Standards Application Revision (SAR).
- Some entities find that Align has made the self-logging process more burdensome, requiring the same level of information and documentation as a self-report. The previous spreadsheet method was seen as easier. Batch submission of self-logs in Align would be preferable to individual submissions.

- The level of information and documentation required for a self-log is seen by some as excessive for minimal risk issues and not significantly different than what is required for a self-report.
- Need for clearer guidance from NERC/Regions on what types of issues can be self-logged to reduce uncertainty. Level of effort should be less for self-log items.
- Consistent application of timelines for submitting self-logs after identification
- Training on self-logging eligibility and the program in general would be helpful for entities.

Recommendations:

- Consider CCC, RSTC and SC representation on the Standards Grading Task Force
- Need to understand how the ERO is measuring residual risk and what tools they have to measure residual risk.
- Consider how standing committees and industry feedback on residual risk can best be incorporated into RISC processes.
- Streamlining the self-logging process and reducing administrative burden could increase participation.

Chapter 4: Align/SEL Feedback

In recent years, the CCC has used the focused discussion format scheduled for the Quarter 4 meeting to solicit feedback from industry about the value of the Align/SEL tool, user experiences, and recommendations to further enhance the tools.

Align and the SEL are tools used by NERC, Regional Entities, and registered entities in the conduct of the ERO Enterprise CMEP. Initial training and training materials have been offered throughout the initial deployment of functionality (Releases 1, 2, 3, 4.0, and 4.5). Ongoing maintenance and enhancements to Align and the SEL (CMEP tools) will occur as needed to assure effective implementation of the CMEP. Maintenance may include modifications to correct existing objects, notifications, records, workflows, etc. Enhancements may include new or improved functionality, workflows, reports, etc.

Currently three members of the CCC sit on the AUG, a stakeholder group of CCC members and region representatives that meets monthly to provide real-time feedback to the Align team about issues surrounding the use of the Align/SEL tool. A substantial portion of industry insight is informed by the outreach the CCC performs in conjunction with the last CCC meeting of the calendar year.

Successes and Opportunities

Positive Aspects

- It is useful to see all open potential non-compliances and CMEP activities in one system rather than switching between portals.
- Having a single system to submit documentation is more efficient than separate systems.
- The ability to enter information once that applies to multiple entity registrations saves time.
- Having a single system to upload documentation for audits, requests for information, and self-certifications is more efficient than separate portals.
- SEL provides visibility and tracking of document submission status.

Challenges

- Navigation and assignment of activities can be confusing and unintuitive at times.
- Data handling limitations like file size uploads have caused issues.
- Inability to assign responders, only Primary Compliance Contact (PCC).
- System performance is slow, causing delays and limiting after hours work.
- Notifications do not always work properly.
- Limited system roles impact the ability to efficiently use Align, especially during audits. Only the PCC and Alternate Compliance Contact (ACC) have access to view all information in Align. During the Audit a PCC should be able to delegate or assign access for their team members. This setup is not operationally efficient for one person to have responsibility for all data requests, especially for larger entities.
- For SEL specifically, system performance is slow and unstable at times, causing delays. File size and format limitations, no more than 20MB/file and not being able to upload zip files or folders, have caused issues, uploading evidence. Limited ability to view uploaded files, requiring external validation that files were received. Assigning documents to requests can be confusing and unintuitive.
- Move to cloud-based servers raises concerns for stakeholders.

Areas for Improvement

- Enhance searchability of past communications and notices as the current drop down menus are not intuitive for users.
- Improve training based on actual system usage after go-live.
- Address known issues and provide updates on progress.
- Simplify self-logging submission process.
- Increase file size limits and allow alternate submission methods.
- For the SEL, expand maximum file sizes, allow compressed files, for example .zip, and the ability to upload folders. Provide a way to view uploaded files within SEL. Simplify the document assignment process. There is a need for better visibility of all Align information (PCC should be able to grant role-based access). Notify users of progress on resolutions. Improve system stability and response times.
- There is consistent use across regions for Periodic Data Submittals (PDS) and self-certs, but less consistency for audit engagements. For example, one region requires the use of Align for audit submittals while another is requiring use of an EFT server, not Align.

Recommendations:

- Provide Align/SEL backlog and workplan visibility for industry.
- Consider having developers on the quarterly calls to discuss feasibility and schedule of addressing issues identified.
- Continue quarterly discussions with NERC AUG.

Chapter 5: Conclusion

The Program and comments generally illustrated positive trends in evaluations, indicating industry's view of continued enhancements to the ERO Enterprise programs, efficiency and effectiveness. This report provides many observations, feedback around strengths and areas for potential improvement.

In the spirit of collaboration and support for ERO Enterprise success, the CCC respectfully submits the following recommendations:

- The CCC recommends increased transparency, outreach, and clarity around the Consistency Reporting Tool processes and solutions.
- The CCC recommends further awareness/education on the risk framework.
- The ERO should consider developing metrics to determine how success within the risk framework is defined.
- The CCC recommends the CCC, RSTC and SC representation on the Standards Grading Task Force.
- The ERO should consider defining how the ERO is measuring residual risk and what tools they have to measure residual risk.
- The ERO should consider how standing committees and industry feedback on residual risk can best be incorporated into RISC processes.
- The CCC recommends streamlining the self-logging process and reducing administrative burden to increase participation.
- The CCC recommends the ERO provide Align/SEL backlog visibility for industry.
- The ERO should consider having developers on the quarterly calls to discuss feasibility of addressing issues identified
- The CCC recommends the ERO Enterprise continuing quarterly discussions with NERC Align User Group.

For the stakeholders' perception activities for 2024, the CCC intends to focus on the following items:

- Standards Prioritization and the Role of CMEP
- Value and Use of Guidance Tools in Support of Agility and Reliability
- Use of Compliance Tools for Compliance Monitoring Processes
- Best Use of Align's Capability
- Progress on Align/SEL Fixes and Enhancements

The CCC appreciates the opportunity to provide a Stakeholders' Perception Report related to the ERO Enterprise execution of the programs associated with the CCC's chartered scope of work. The report summarizes a diverse and wide area view of industry's perceptions and recommendations. There is a recognition of many areas of improvement and many areas of opportunity. The CCC looks forward to continued partnership with and support of the ERO Enterprise's success. We value the opportunity to collaborate on solutions or improvements to the opportunities relative to the programs and processes that will bring value for all stakeholders.

It should be noted that while the Stakeholders' Perception Report is the culmination of industry engagement and feedback, it is intended to memorialize the discussions each year but does not suggest that subsequent actions to address issues wait for publication of this document. The CCC works throughout the year to foster collaboration with the ERO Enterprise and considers strategies that address areas of improvement as they are identified. It is our

understanding that ERO Enterprise Staff incorporates many of the findings addressed in this report into internal conversations, well before the publication of this report. The following are some of the strategies which allow the CCC to continually improve:

- Communications and participation with industry groups, with a focused plan for coordination,
- Identify and participate in risk-based compliance assurance outreach, such as internal controls, and feedback discussions,
- Evaluate results and input on stakeholders' perceptions and work with NERC management on proposed resolutions,
- Participate on Align Users Group (CCC Chair, CCC Vice Chair, CCCEC Representative),
- Identify industry stakeholder groups where CCC collaboration will strengthen ERO process and approach,
- Participate in industry outreach as requested with ERO personnel on designated ERO topics.

Appendix: Stakeholder Feedback Questions

2023 Focused Discussion Questions

1st Quarter ERO Enterprise Program Alignment Process and Consistency Efforts

Questions for Industry Specific to the Program Alignment Initiative:

1. With the ERO Enterprise and industry stakeholders focusing on agility and swift action to address prioritized reliability and security risks, the CCC is interested in exploring industry perspectives related to program alignment. Do you believe that the ERO Program Alignment Initiative is accomplishing the objectives initially envisioned by the NERC Board of Trustees in 2017? If no, what do you believe are the principal reasons why they are not?
2. With the Program Alignment Initiative now in its eighth year, what suggestions or recommendations might you have that would improve its effectiveness, consistent with ERO Enterprise efforts to address agility and efficiencies within the CMEP and ORCP?
3. What changes would you suggest the ERO Enterprise consider to most effectively incorporate the objectives of the Program Alignment Initiative into the Risk Framework?
4. Why do you believe the ERO Program Alignment Initiative tools and processes are being underutilized by industry, as characterized in the background section of this document?
5. Does the implied boundary to address inconsistency only across Regional Entity boundaries make sense with the issues industry is experiencing? Explain why or why not.
6. Will the existing Program Alignment Initiative and its tools and processes continue to drive improvements / efficiencies or support status quo thinking?
7. What types of current issues is the industry seeing? Is it limited to inconsistencies across Regions or more broadly?

Questions for Industry Specific to the Consistency Reporting Tool:

1. Can you provide your organization and/or sector's knowledge on the use and/or value of the Consistency Reporting Tool?
2. Is your organization and/or sector aware that the Consistency Reporting Tool exists? And, if so, are they aware that of its purpose?
3. If so, have you found the tool to be useful? If not, what solutions could you provide to make it a more effective tool for industry?
4. What changes would you suggest being implemented to make this a helpful tool for industry and the ERO?
5. What steps would you recommend improving the interest in the Consistency Reporting Tool going forward?
6. What outreach efforts would you suggest encouraging industry to use the Consistency Reporting Tool?

2nd Quarter ERO Enterprise Program Alignment Process and Consistency Efforts

Questions for CCC Members:

1. Does the CCC Workplan effectively explain the Committee's role in this process? And how do the CCC strategic workplan items support the overall efforts?
2. If your answer to question 1 was no, what can the CCC do to strengthen this linkage or explain more about the CCC role?
3. How should the CCC be thinking about risk identification?

4. How can the Committee help others identify the linkage between compliance risk to identify reliability or security risks?
5. What types of engagement would the CCC expertise be beneficial to the other NERC Standing Committee work?
6. Do you see places where further coordination efforts are needed amongst the NERC committees?
7. Regarding CCC review of Implementation Guidance, does the current approaches for implementation guidance address the objectives of the framework. What suggestions would you have to enhance the value of implementation guidance.
8. What tools could be developed or modified to ensure that CMEP activities are effectively incorporated into the Framework?
9. Do you have any recommendations to strengthen the processes and framework as proposed?
10. What additional information would be helpful to you to provide better input to the CCC leadership for their participation on the RISC and SCCG?

Questions for Industry Stakeholders:

1. What are the strongest/weakest elements of the current Framework?
2. Are you aware of the RISC Leadership Summit, ERO Reliability Risk Report, and RSTC processes to address the risks identified by RISC?
3. What level of understanding do you have about the different frameworks at play with respect to risk identification (Framework to Address Known and Emerging Risks to Reliability and Security, ERO Enterprise Risk-based Compliance Monitoring Framework)?
4. Are you aware that the ERO Enterprise Risk Elements are different from the ERO Reliability Risk Report priorities? Or maybe different?
5. Do you understand the linkage between the ERO Enterprise Risk Elements and the CMEP Implementation Plan?
6. Do you have input about how your organization or sector considers all of these different types of program documents are considered when thinking about risks, reliability, security and compliance?
7. What are your thoughts about how we can more closely integrate reliability, security and compliance risks?
8. Does the separation of the processes reinforce or detract that the actions we are taking to be compliant support reliability and security of the grid?
9. How should we be thinking about the different types of risk and actions owners and operators take?
10. What do you see are the role differences related to risk for the CCC and Standards Committee versus the RSTC or RISC?
11. Do you believe that the risk processes need stronger feedback loops with the information learned in compliance program management (industry) or compliance oversight (ERO Enterprise)? If yes, do you have suggestions for how to do this?

3rd Quarter Measuring Residual Risk and Self-Logging

General Understanding of Residual Risk:

1. As an industry representative, how do you view residual risk as it relates to your individual entity?
2. As an industry representative, how do you view residual risk as it relates to your sector?

3. How should residual risk be viewed by various stakeholders in the ERO Enterprise (FERC, NERC, Regions, Registered Entities)?
4. Describe a specific situation where you believe the level of residual risk associated with a reliability standard or other remediation tool has been achieved but the risk is still being considered as a risk priority for the ERO Enterprise.

Components of Residual Risk:

1. How do you define residual risk?
2. Does your company have a defined risk tolerance or risk acceptance level?
3. Does your company have a defined risk acceptance process? If yes, can you describe the group.
4. In your opinion, what are the most important factors that should be considered in the development of a metric for residual risk?

Measuring Residual Risk:

1. What tools are currently available to NERC in the public domain that could be used to measure residual risk in the Framework?
2. How can the information contained in the last CMEP/ORCP Annual Report and/or set of CMEP 4A Audits be used to address residual risk?
3. What insights could the use of self-logging and self-reporting have on evaluating residual risk?
4. In what situations, if any, should the level of residual risk associated with a reliability risk equal zero?

Recalibrating Priorities to Reassess Reliability Risk

1. Once a metric related to residual risk has been established, how should NERC and the RISC incorporate the results of that metric into its regular assessment of risk?
2. In what situations should a reliability risk that was previously considered to be acceptable find its way back onto the reliability risk priority list?
3. To what extent should the political/social/policy environment impact the evaluation of residual risk within the risk framework?
4. From a regulatory oversight perspective, there is often little appetite to define a risk tolerance and accept some level of risk. How do you see the existing resource deployment toward risk- based CMEP changing? How would you recommend changing it and using resources (both ERO Enterprise and industry) more efficiently and effectively?

For those participating in the Self-Logging Program:

1. Has Align improved the documenting and submitting of self-logged items?
 - If yes, please let us know what is working better for you. Please also share any possible enhancements you've thought of for Self-Logging in Align.
 - If no, please describe how the submission process could be improved.
2. Is Self-Logging a benefit to your entity?
 - If yes, what are those benefits?
 - If not, please explain what could be improved to make this more beneficial?
 - If not, do you intend to request to no longer participate in the program? Please explain.
3. Do you feel as though you received training to sufficiently identify minimal risk noncompliance?
4. Before Align, did the log help you identify potential issues or program improvement opportunities that would not otherwise have been identified? If so, please explain.
5. Do you have any suggestions for improving the Self-Logging Program?
6. Are you willing to speak with ERO Enterprise representatives regarding your responses?

For those not participating in the Self-Logging Program:

1. Have you considered applying?
 - If so, what aspects of the program were attractive?
 - What aspects of the program dissuaded you from applying?
2. Do you have any suggestions for improving the Self-Logging Program?
3. Are you willing to speak with ERO Enterprise representatives regarding your responses?

4th Quarter Align/SEL Feedback

General

1. What aspect of using Align/SEL have you liked? What aspect has been challenging?
2. What aspect of using Align/SEL have you found useful?
3. Does Align enable registered entities, and industry to target emerging reliability risks more quickly?
4. For noncompliance and mitigation, do registered entities have better insight to the status of the issues?
5. Now that we are in one system for submitting documentation, have registered entities experienced any efficiency gains?
6. Have registered entities experienced increased quality and/or consistency in data and work products since implementing Align/SEL?
7. Have registered entities experienced increased consistency with the Regions around CMEP?
8. Have registered entities experienced increased productivity in their interactions with

the CMEP process?

Outreach/Governance

1. Have communications improved with the updated Align website and the additional notices within the weekly Standards and Compliance Bulletin?
2. What information do you find most useful on the updated Align webpage?
3. Are these communication channels effective in providing updates on project-related developments?
4. Are there areas that are missing in communications to registered entities?

Training/Outreach

1. What training areas could be improved?
2. What are you hearing from your colleagues/sector members about Align? What targeted outreach is needed?

Notifications/Data

1. Do the limited roles continue to impact the registered entity's ability to efficiently use Align?
2. What challenges, if any, have you or continue to experience with data handling and uploading of documents, whether for audits, requests for information, or self-certifications?

Q3 CCC Focused Discussion – Use of Compliance Monitoring Processes

Action

Review

Background

To provide industry feedback on experiences with NERC Compliance Monitoring and Enforcement Program (“CMEP”) processes, specifically Compliance Audits and Self-Reports.

Summary

The CMEP is used by NERC and the Regional Entities to monitor, assess, and enforce compliance with Reliability Standards within the United States. The CMEP is documented in NERC Rules of Procedure Appendix 4C¹ and is implemented in Canada and Mexico consistent with laws and agreements in effect with Applicable Governmental Authorities.

The CMEP consists of the following compliance monitoring processes:

- Compliance audits
- Self-Certifications
- Spot Checks
- Compliance Investigations
- Self-Reports
- Self-Logging
- Periodic Data Submittals
- Complaints
- Preliminary Screen

With the shift to risk-based activities, industry has observed a significant change in the way these processes are conducted. For Q3 the CCC is focusing on industry experience with two of the compliance monitoring processes – Compliance Audits and Self-Reports.

Compliance Audits

NERC and the Regional Entities perform risk-based Compliance Audits as required by the NERC Rules of Procedure and based on criteria established by NERC. Entities registered as Reliability Coordinators, Balancing Authorities, and Transmission Operators are on a three-year audit schedule, others are on a risk-based schedule, and NERC and the Regional Entities may initiate an unscheduled Compliance Audit of any Registered Entity at any time. The Regional Entities determine the scope of the Compliance Audit through risk-based processes, including Inherent Risk Assessments, internal controls, and other inputs.

¹ [NERC Rules of Procedure Appendix 4C – Compliance Monitoring and Enforcement Program](#)

Self-Reports

Self-Reports are encouraged at the time a Registered Entity becomes aware that it has, or may have, violated a Reliability Standard. A Self-Report will include a risk assessment of the noncompliance, a description of the extent of the noncompliance, the cause of the noncompliance, and the actions that have been taken or will be taken to mitigate the noncompliance, including preventing recurrence.

Industry Experience Questions

For the upcoming Q3 CCC meeting, the CCC asks industry to provide feedback on the following questions:

- Compliance Audits
 - Risk Assessments
 - Timing – are risk assessments done ahead of the audit, after or another time? What are Registered Entities recommending for a preferred timing?
 - Approach – are risk assessments conducted in a similar manner from assessment to assessment? If not, what are some of the differences?
 - Benefits realized:
 - Are risk assessments reducing audit scope and if so, do Registered Entities anticipate this to continue for future audits?
 - Is the effort to complete a risk assessment commensurate with the benefits realized from a Registered Entity perspective?
 - Are Registered Entities seeing consistency within the Regional Entity and/or across the Regional Entities in their approach to risk assessments and if not, what are some of the inconsistencies?
 - What would be one thing Registered Entities would recommend to improve the risk assessment process during Audits?
 - What positive observations do Registered Entities have regarding the NERC/Regional Entity treatment of Registered Entities during the Compliance Audit process?
- Self Reports
 - It seems a common theme that processing of reported potential non-compliances (submittal to disposition) can take a long time.
 - Are there certain points along the processing that Registered Entities are seeing take more time?
 - What could the Regional Entities/NERC do to improve the processing time?
 - What is something observed in another Regulatory space that improved processing time?
 - Are Registered Entities seeing consistency within the Regional Entity and/or across the Regional Entities in the self-reporting process (including guidance, expectations, etc.) and if not, what are some of the inconsistencies?
 - What do Registered Entities see as the most valuable aspects of self-reporting for their entity? For the industry?