

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Agenda Item 2

COVID-19-Related Activities

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Compliance Committee Open Meeting

November 3, 2021

RELIABILITY | RESILIENCE | SECURITY



- Temporarily expanded Self-Logging Program for COVID-19
 - Applies to minimal and moderate risk
 - No further action for properly logged noncompliance
- Deferred On-site audits and certifications Expires December 31, 2021
- [Link to Guidance](#)

The thumbnail shows the cover page of the ERO Enterprise Guidance document. It features the NERC logo at the top left. The main title is "ERO Enterprise Guidance: Potential Noncompliance Related to Coronavirus Impacts". Below the title, there is a "Purpose" section, a paragraph of text, a "Tracking and Treatment of Potential Noncompliance Related to Coronavirus Impacts" section, another paragraph of text, and a final paragraph. At the bottom, there are two footnotes and a footer with the text "RELIABILITY | RESILIENCE | SECURITY".

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ERO Enterprise Guidance: Potential Noncompliance Related to Coronavirus Impacts

Purpose
The purpose of this guidance is to address the handling of potential noncompliance related to the effects of the coronavirus. Specifically, this guidance introduces a temporary expansion of the Self-Logging Program in order to assist entities and the ERO Enterprise with the efficient reporting of potential noncompliance with minimal or moderate risk related to the ongoing coronavirus crisis. During this challenging time, health and safety of personnel and the continued reliability and security of the bulk power system are of crucial importance.

While registered entities remain responsible for maintaining compliance with the North American Electric Reliability Corporation (NERC) Reliability Standards, they should continue to focus their immediate efforts and resources on maintaining the safety of their workforce and communities to ensure the reliability of the bulk power system during this public health emergency. With that in mind, the ERO Enterprise¹ is committed to considering reasonable deviations from compliance with Reliability Standards caused by coronavirus response.

Tracking and Treatment of Potential Noncompliance Related to Coronavirus Impacts
On March 18, 2020, the Federal Energy Regulatory Commission (FERC) and NERC issued Guidance to Ensure Grid Reliability Amid Potential Coronavirus Impacts (March 18 Guidance).² The March 18 Guidance addressed personnel certification and noncompliance caused by the inability to complete periodic activities because of coronavirus-related constraints. The ERO Enterprise understands that the March 18, Guidance does not account for or contemplate all situations and responses an entity may face as a result of the coronavirus response; indeed, there are too many facts and circumstances to predict. The ERO Enterprise now provides further guidance related to potential noncompliance resulting from coronavirus-related impacts in addition to those contemplated in the March 18 Guidance.

The ERO Enterprise recognizes that registered entities may have to take unprecedented actions to address coronavirus impacts. Such actions may disrupt, complicate, or otherwise alter the normal course of business operations, including compliance with NERC Reliability Standards, in order to maintain the reliability and security of the bulk power system. During this extraordinary time, the ERO Enterprise is temporarily allowing all registered entities to self-log instances of potential noncompliance related to entities' coronavirus response. This temporary expansion of the Self-Logging Program is not authorization to log potential noncompliance unrelated to the impacts of the coronavirus, nor is it admission to the Self-

¹ The ERO Enterprise consists of NERC and the Regional Entities.
² The FERC/NERC Guidance to Ensure Grid Reliability Amid Potential Coronavirus Impacts is located on the NERC website at: <https://www.nerc.com/news/Headlines%20D/FERC%20NERC%20031820%20final.pdf>

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- Resume on-site activities on a case-by-case basis, prioritizing health and safety in a risk-informed manner
- Evaluate federal, state/provincial, and local guidance and conditions, along with registered entity facts and circumstances
- Hybrid or partial on-site activities
- ERO Enterprise remains closely and regularly coordinated for harmonized application and outreach, and it will communicate regularly with industry as situation evolves



Questions and Answers

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Agenda Item 3

Facility Ratings Activities

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Teresina Stasko, Assistant General Counsel and Director of Enforcement, NERC

Steven Noess, Director, Regulatory Programs, NERC

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RELIABILITY | RESILIENCE | SECURITY



- To ensure a reliable and secure bulk power system, it is important that registered entities have strong and sustainable Facility Ratings programs
- Facility Ratings play a significant role in planning and operating the bulk power system
- The results of incorrect Facility Ratings may include operating in an unknown state and uncontrolled widespread service outages and/or fires

- CMEP activities indicated widespread discrepancies
 - Documented Facility Ratings versus actual field conditions
 - Increased risk to bulk power system reliability
 - Performance correlation between strong entity controls and proactive field validation
- CMEP Implementation Plan
- ERO Enterprise CMEP Practice Guide (published Q2 2020)

- Preventative
 - Outreach and education around risk
 - ERO Enterprise CMEP Practice Guide (published Q2 2020)
 - Workshops
 - Newsletters
 - Engage with industry
 - Examine current standards for potential adjustments
- Assessment
 - Current conditions
 - Recent monitoring
- Recovery
 - Sharing practices
 - Enhanced mitigation activities

- Support development and sustainment of registered entity risk-based Facility Ratings programs and resolution of Facility Ratings noncompliance using existing tools
- Registered entities should develop or continue approaches for self-assessment and risk-based prioritization
 - Align compliance with operations
 - Report and mitigate
- Risk-based CMEP well-equipped to evaluate and process lower risk discrepancies for entities who self-evaluate today
- Future discrepancies will be evaluated by ERO Enterprise to consider, among other things, inaction or ineffective implementation



Questions and Answers

2022 CMEP Implementation Plan

Kiel Lyons, Senior Manager, Compliance Assurance
Compliance Committee Open Meeting
November 3, 2021

RELIABILITY | RESILIENCE | SECURITY



- Purpose of the Compliance Monitoring and Enforcement Program (CMEP) Implementation Plan (IP)
 - Annual CMEP-related operating plan for NERC and Regional Entities
 - Risks that will be priorities for ERO Enterprises CMEP activities
- Timeline
 - NERC provides initial draft to Regional Entities on or about September 1 of preceding year
 - NERC posts IP with links to regional schedules in November
 - Updates may occur throughout year

- Risk Element Characteristics
 - Data-driven & expert judgement of ERO Enterprise staff
 - Use of ERO Enterprise publications
 - Identify and prioritize continent, interconnection, and region-wide risks to the reliability of the BPS
 - Not a representation of all important Reliability Standard requirements or risks for registered entities

- CMEP staff intended use
 - Focus compliance monitoring and enforcement activities
 - Messaging to industry on areas of emphasis for CMEP activities
- Registered entity intended use
 - Used in conjunction with entity-specific COP
 - Consideration in compliance operations focus
 - Enhance internal controls

- Continued emphasis on focus and usability
- Risk Elements reflect a combined ERO Enterprise view
 - Focused to increase relevance to impacted registered entities
 - Reflects high level priorities for CMEP
 - Relevance based on registered entity's facts and circumstances

- COVID-19
 - Summary of industry guidance
 - Prioritize monitoring activities and risks that benefit the most from on-site components when conditions allow
 - Risks reflected in Risk Element write-ups
 - ERO Enterprise may consider reviewing requirements related to personnel training

Table 2: 2022 Risk Elements
Remote Connectivity
Supply Chain
Models Impacting Long-term and Operational Planning
Gaps in Program Execution
Protection System Coordination
Extreme Events

- 2022 ERO Enterprise CMEP IP:

<https://www.nerc.com/pa/comp/CAOneStopShop/ERO%20CMEP%20Implementation%20Plan%20v1.0%20-%202022.pdf>



Questions and Answers