

Announcement

ERO Enterprise Releases Facility Ratings Best Practices Report

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ATLANTA – Maintaining reliability across the bulk power system is not an isolated endeavor — it is a complex, multi-pronged effort that is supported by numerous components, programs, initiatives and organizations across North America. Facility ratings play a significant role in the reliable planning and operation of the bulk power system and therefore demand effective management to reduce associated risks and impacts.

The impacts of incorrect facility ratings can range from operating with limited information to uncontrolled widespread service outages and fires. Facility ratings and system limitations also play a key role in modeling the grid as future bulk power system projects are contemplated to manage load growth and mitigate system constraints. To ensure a reliable and secure grid, it is of utmost importance that registered entities have strong and sustainable facility ratings programs.

To support our stakeholders, the ERO Enterprise actively engaged in mitigating activities associated with facility ratings and identified four common themes that pose challenges to the sustainability of accurate facility ratings:

- Lack of awareness
- Inadequate asset and data management
- Inadequate change management
- Inconsistent development and application of facility ratings methodologies

The <u>ERO Enterprise Themes and Best Practices for Sustaining Accurate Facility Ratings</u> report is intended to aid stakeholders in strengthening the accuracy and sustainability of their facility ratings programs, resulting in the lessening of facility ratings challenges and ensuring a more reliable and secure bulk power system. The best practices in this report are not directives to industry to undertake any actions. Rather, they are best practices for mitigating risks in the area of facility ratings and for addressing the themes identified in this report.

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These best practices were assembled based on ERO Enterprise monitoring, enforcement and mitigation activities, as well as through direct feedback and input from registered entities that have encountered facility ratings program challenges and/or have successfully mitigated them with internal controls. Additionally, these best practices are not one-size-fits-all since variables (e.g., entity size, workforce/staffing levels, corporate structure and other factors) will affect the feasibility of each potential resolution.

The ERO Enterprise remains dedicated to supporting industry while navigating a changing reliability outlook with existing and emerging risks to the reliability and security of the bulk power system.

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Electricity is a key component of the fabric of modern society and NERC, as the Electric Reliability Organization, 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 and secure North American bulk power system. Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.