

2019 Compliance Monitoring and Enforcement Program Implementation Plan

Steven Noess, Director of Compliance Assurance and Program Oversight
Compliance Committee Meeting
November 6, 2018

RELIABILITY | ACCOUNTABILITY



- Purpose of the Compliance Monitoring and Enforcement Program (CMEP) Implementation Plan (IP)
 - Annual CMEP-related operating plan for NERC and Regional Entities
 - Implementation of risk-based approach for CMEP activities
- Timeline
 - NERC posts on or about September 1 of preceding year
 - Regional Entities submit Regional IPs on or about October 1
 - NERC reviews and posts combined IP in November
 - Updates may occur throughout year
- Outreach
 - Industry Webinar: Tuesday, November 13, 2018

- Program Alignment
- Compliance Guidance
- Coordinated Oversight of MRREs
- Revised Risk Elements

- Roles
 - Highlight risks that merit increased focus for CMEP activities
 - Used in prioritizing and evaluating monitoring scopes
 - Not exclusive list of all risks to reliability of the bulk power system (BPS)
- Enhanced for 2019
 - Reflects maturing risk-based program
 - Better articulated as discrete issues
 - Clearer focus in the plan to specific Reliability Standard requirements
- Enables feedback mechanism for future plans
 - Evaluates how risks are being prevented or mitigated
 - Results used to shape and impact future monitoring focus

- Several inputs
 - Compliance findings and Enforcement data
 - Event Analysis experience
 - Prioritized or emerging risks
 - Critical Infrastructure Protection themes
 - Reliability Issues Steering Committee's ERO Reliability Risk Priorities
- Risk elements written to consider potential impact or emerging risk
 - Does not mean all risks
 - Provides actionable information to shape areas of focus

Comparison of 2016-2018 Risk Elements and 2019 Risk Elements	
2016-2018 Risk Elements	2019 Risk Elements
Critical Infrastructure Protection	Improper Management of Employee and Insider Access
Extreme Physical Events	Insufficient Long-Term Planning Due to Inadequate Models
Maintenance and Management of BPS Assets	Insufficient Operational Planning Due to Inadequate Models
Monitoring and Situational Awareness	Spare Equipment with Extended Lead Time
Protection System Failures	Inadequate Real-time Analysis During Tool and Data Outages
Event Response/Recovery	Improper Determination of Misoperations
Planning and System Analysis	Inhibited Ability to Ride Through Events
Human Performance	Gaps in Program Execution



- 2019 ERO Enterprise CMEP IP Draft 1

https://www.nerc.com/pa/comp/Resources/ResourcesDL/2019_ERO_CMEP_Implementation%20Plan_V1_September_2018.pdf



Questions and Answers

Compliance Monitoring and Enforcement Program Quarterly Report

Q3 2018

Sônia Mendonça, Vice President, Deputy General Counsel, and Director of Enforcement
Ken McIntyre, Vice President and Director of Regulatory Programs
Compliance Committee Meeting
November 6, 2018

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Percentage of Noncompliance by Discovery Method Q3 2018

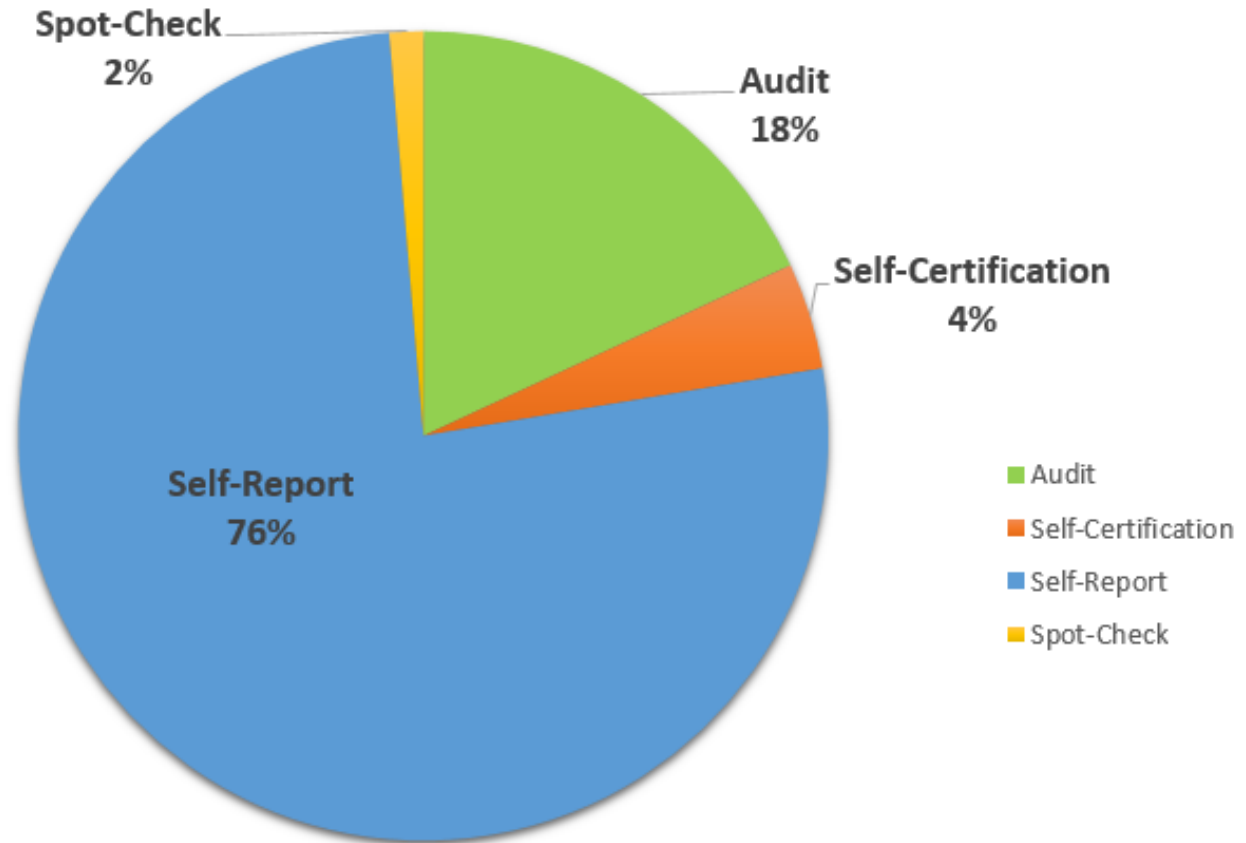
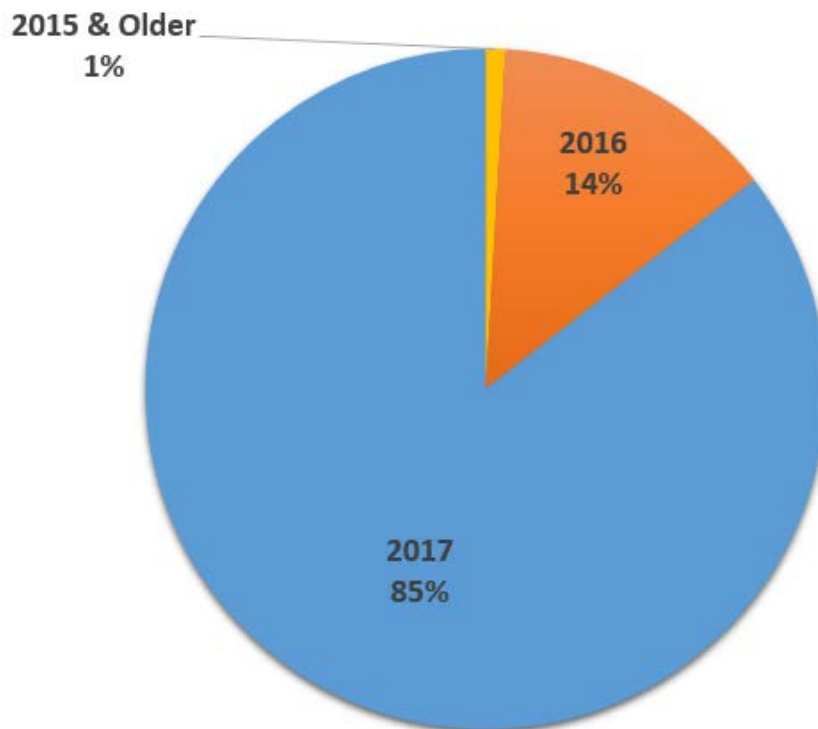


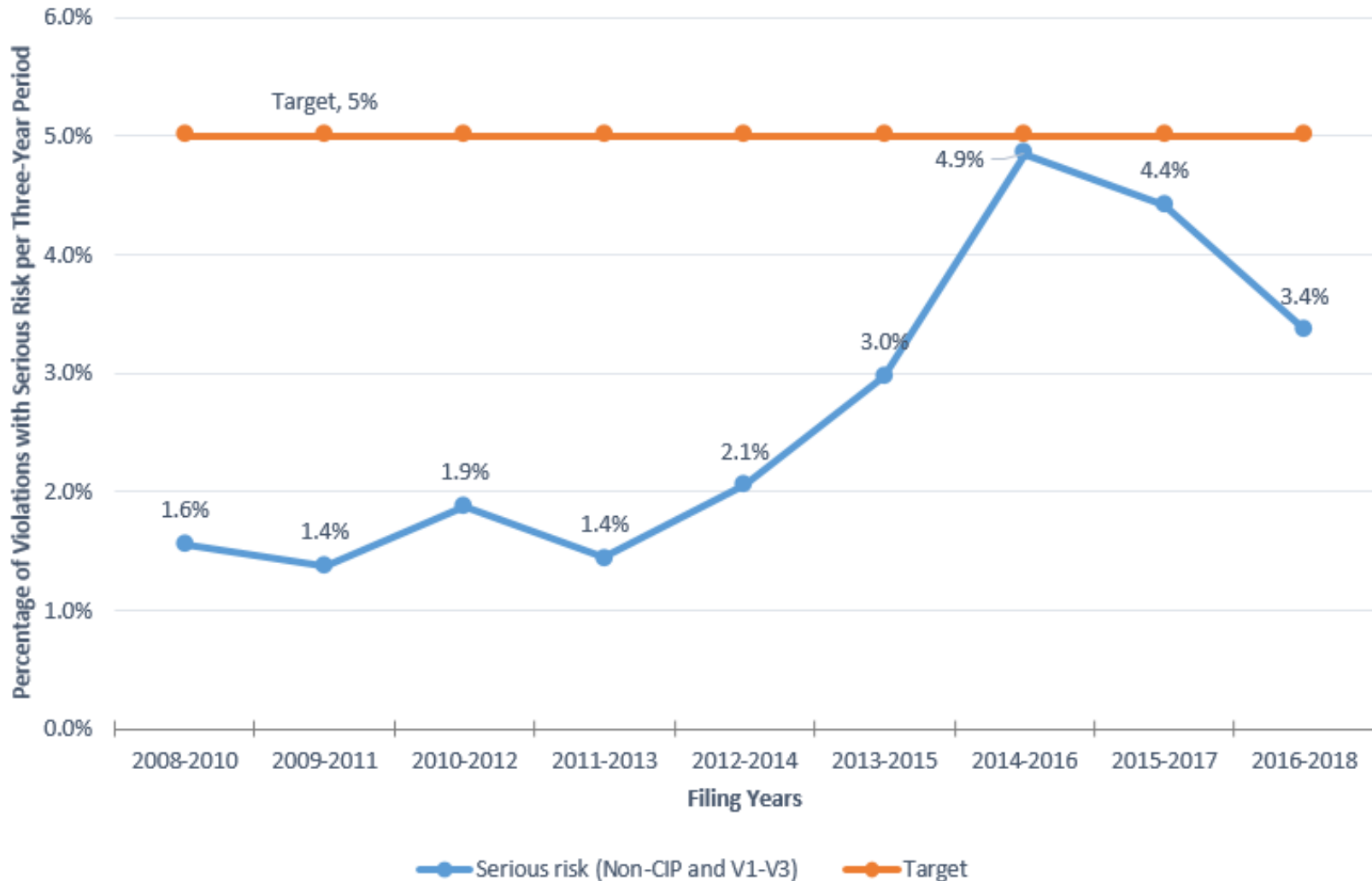
Table A.1: Mitigation Completion Status

Time Frame	Required Mitigation	On-going	Progress Toward Goal	Threshold	Target	Progress Since Last Quarter
2015 and Older	10206	8	99.92%	99%	100%	0.01%
2016	1150	116	89.91%	85%	90%	1.11%
2017	2008	732	63.55%	70%	75%	6.55%

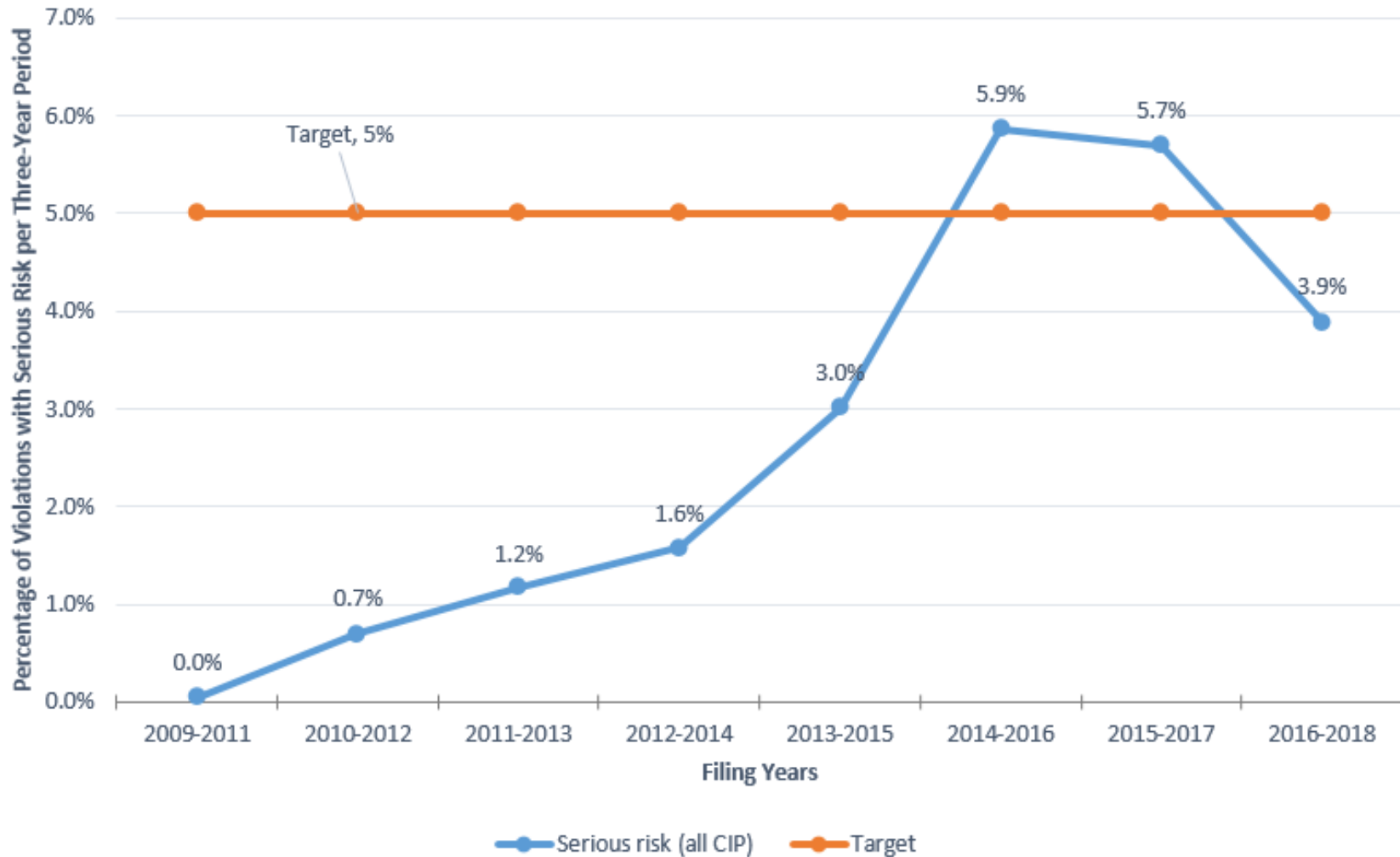
Ongoing Mitigation By Discovery Year



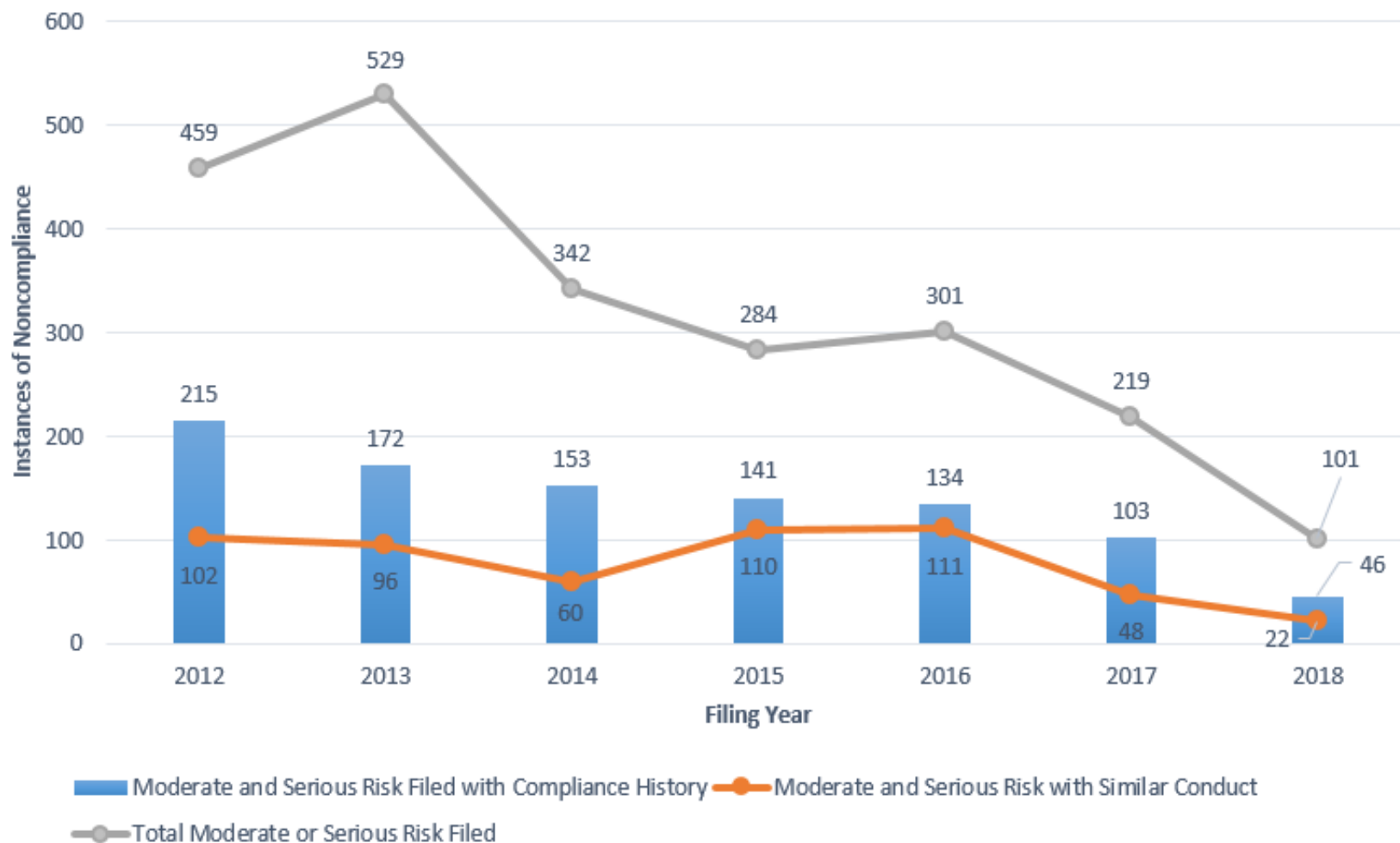
Non-CIP and V1-V3 Serious Risk Violations
 3-Year Rolling Average



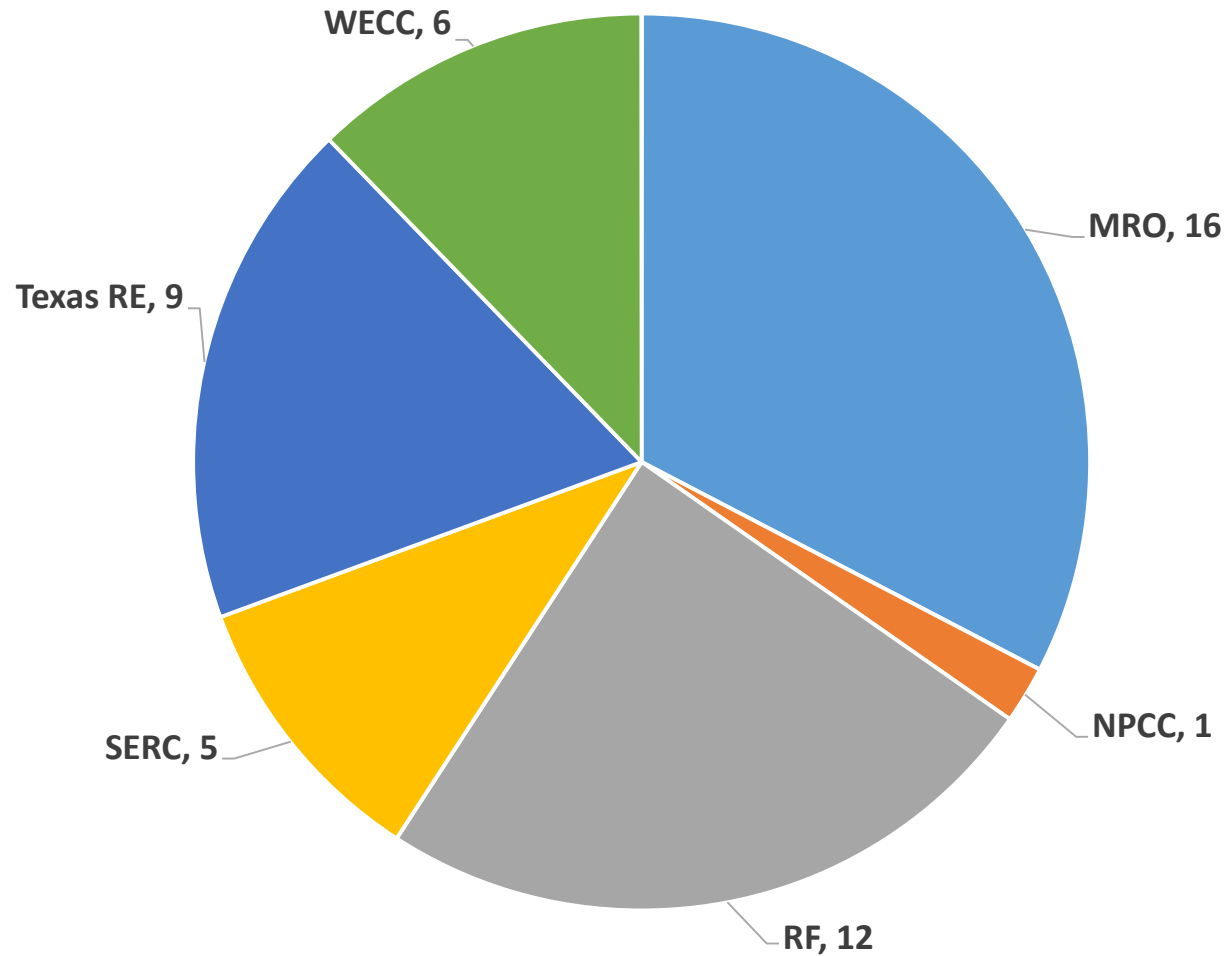
CIP Only Serious Risk Violations 3-Year Rolling Average



Compliance History for Moderate and Serious Risk Noncompliance



- Implementation Guidance (IG):
 - No new proposed IG received,
 - One IG endorsed,
 - No IG were not endorsed, and
 - One IG currently under review.
- The Compliance and Certification Committee (CCC) did not receive any new Pre-qualified Organization applications.



Distribution of MRREs under Coordinated Oversight by Lead RE

- Program Alignment Items
 - Fifteen completed
 - Four in progress
- Continued outreach in collaboration with CCC Alignment Working Group at Regional Entity workshops



Questions and Answers