

**Southwest Power Pool, Inc. Comments on
NERC's Five-Year Electric Reliability Organization Performance Assessment
April 15, 2019**

Summary

Southwest Power Pool, Inc. (SPP) appreciate the opportunity to comment on the North American Electric Reliability Corporation (NERC)'s Five-Year Performance Assessment (Performance Assessment). Many programs and initiatives detailed in the Performance Assessment have improved the reliability and security of the Bulk Power System (BPS) over the past five years and SPP supports the inclusion of these in the Assessment. SPP asks NERC to consider additional information not contained in the Performance Assessment that will further illustrate the changes to the standards process, and its impact on the successful and expeditious completion of numerous standards projects during the five-year period. Furthermore, SPP reinforces to the Federal Energy Regulatory Commission (Commission) of the need for a technical stakeholder body and an open and transparent process even for projects that have been in development for longer periods. Finally, SPP seeks clarifications in the Performance Assessment's Section IV-Evaluating Regional Entity Performance that will better illustrate the impacts from the SPP Regional Entity.

Developing Reliability Standards and Ensuring Adequate Level of Reliability

SPP supports the efforts of the Standard Efficiency Review (SER) to remove or retire unnecessary reliability standards. Even though the SER process will reduce the number of requirements subject to compliance, the Performance Assessment should mention that the SER process does not degrade the level of BPS reliability. Efficiency gains in Registered Entity staff and resources due to retirement of unnecessary reliability standards will allow improved focus on core reliability needs and place more resources towards ensuring reliability rather than ensuring compliance. The Performance Assessment could also be improved with added explanation about the benefits of NERC reliability guidelines. SPP supports NERC's efforts to create reliability guidelines, particularly around newly identified risks that need attention quickly, such as the inverter-based resources guideline issued in 2018. It should be reported how reliability guidelines not only can expedite solutions to new risks but also how reliability guidelines allow for more flexibility and learning by the industry to innovate solutions to these new risks.

The new programs, tools and changes to the standards committee and standards development process is a commendable achievement in the past five years that has provided substantial results. NERC has achieved success due to its collaboration with industry and SPP encourages NERC to continue to provide open and transparent processes and conduct its operations in an efficient and effective manner. Transparency of processes is especially important for projects that have been open for extended amounts of time. Open and consistent communications regarding the status of delayed or projects on hold will maintain accountability and result in efficient and effective resolution of these projects. The Performance Assessment should remind the Commission that the standards development process is ANSI-accredited, which is the cornerstone of success to achieve consensus on complicated technical requirements and an effective process used to design the requirements that have ensured an adequate level of reliability for the BPS. The process has not only been successfully used to create new requirements, but also has proven effective to revise and improve existing ones as well. NERC also has

confidence that utilizing the same process to reduce the number of requirements will continue to assure that adequate level of reliability are met.

Electric Information Sharing and Analysis Center (E-ISAC)

SPP supports investment in E-ISAC and the Cyber security Risk Information Sharing Program (CRISP), and it is worth mentioning in the Performance Assessment that these programs are new and have been limited in participation due to its cost. The effectiveness of the E-ISAC and CRISP can be improved if existing restrictions that limit access to the information by BPS experts are lifted. Additional access to the information will allow these experts to focus alerts that are more actionable for the BPS.

Regional Entity Performance Data Clarification

Southwest Power Pool Regional Entity (SPP RE) performed Delegated Functions for the majority of the five-year assessment period (2014 – June 2018). It is not clear if the data tables, charts, and statistics throughout the Performance Assessment include or exclude the SPP RE's information. Footnote 44 is the only mention of the SPP RE and is specifically related to the exclusion of GADs and TADs data due to the termination of its RDA with NERC. The SPP RE is included in the Cause Coding charts (Pages 64-65). The Performance Assessment should clearly identify when SPP RE's data is included and when excluded – either globally or in each section. For example, Figure 5 on Page 34 of the report shows that MRO completed 172 IRAs for 198 Registered Entities in 2018. There is no indication in this section as to whether SPP RE's data is included or not. Figure B.3 in the 2017 CMEP Annual Report¹ shows that MRO's completion total was 103 for 113 Registered Entities. 108 Registered Entities were transferred from SPP RE to MRO mid-2018 and the increased total can be seen in the 2018 chart. The 2017 CMEP report also shows that SPP RE completed 109 IRAs for 116 Registered Entities. Since MRO's total number of Registered Entities increased from 113 to 198 from 2017 to 2018, it is unclear if the 172 IRA completion total includes or excludes IRAs completed by SPP RE. SPP would request the Performance Assessment clarify the SPP RE's role in these matters.

Conclusion

SPP appreciates the opportunity to provide comments on NERC's Performance Assessment and urges NERC to consider incorporating the recommendations to the Performance Assessment discussed above. SPP looks forward to working with NERC as it continues to improve the reliability and the security of the BPS.

¹ 2017 Compliance Monitoring and Enforcement Program Annual Report, February 7, 2018, Page 38.