

# Facility Ratings Task Force Scope

December 16, 2020

## Purpose

The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) has a role to provide stakeholder feedback to the Electric Reliability Organization (ERO) related to Enterprise Programs, Standards adherence and Enterprise Tools. The Reliability and Security Technical Committee (RSTC) is a standing committee that strives to advance the reliability and security of the interconnected BPS of North America by:

- Creating a forum for aggregating ideas and interests, drawing from diverse industry stakeholder expertise, to support the ERO Enterprise's mission; and,
- Leveraging such expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS for the benefit of industry stakeholders, the NERC Board of Trustees (Board) and ERO Enterprise staff and leadership.

The NERC joint CCC and RSTC Facility Ratings Task Force (FRTF) will address risks associated with the FAC-008, *Facility Ratings Standards*. The potential areas this task force is evaluating relate to alignment of industry's processes and procedures to conduct compliance oversight discussions, institute controls, assess risk and analytics, and prioritize resources with those processes and procedures that focus on prioritization of reliability risks and corresponding resources.

## Roles and Activities

Facility Ratings continue to be a source of discussion in the industry related to operational performance, enforcement actions and regulator views about future considerations. Future considerations related to facility ratings are more complex and consider use of utility assets in different manners as compared to a historical view. In order to effectively accommodate that type of conversation, the industry needs to assess the current processes and expectations to ensure the "basics" are covered. The CCC and RSTC, in their roles obtaining stakeholder engagement and feedback, will delegate responsibility to the FRTF to carry out activities to:

- Provide information to industry on the issues,
- Support industry readiness and success on this topic,
- Foster and facilitate discussions around the issues, risk and potential mitigations or course corrections, and
- Gather industry feedback around recommended solutions that are actionable by either registered entities or industry groups (membership forums, trade associations, technical committees, etc.).

The FRTF will report its work and deliverables to the CCC and RSTC, and the CCC and RSTC maintain ultimate responsibility for decisions and recommendations to NERC.

The FRTF will provide suggestions on issues for discussion and recommendations to NERC as follows:

- Industry’s perspective related to the ERO Problem Statement around facility ratings,
- Gather detailed information on the Facility Rating performance issues.
  - Identify support needs and use CCC and RSTC subcommittees or individual members that have the expertise to review the issues.
  - Reach to industry for input on potential readiness issues (e.g., trade associations, membership organization, compliance forums, registered entities, etc.).
  - Initiate or request FRTF discussions as issues are identified.
  - Identify issues representing specific concerns quickly and facilitate swift resolution or communications.
- Evaluate options for industry outreach.
- Develop suggested recommendations related to the issues.
- Present work outcomes to the CCC and RSTC for awareness.
- Determine appropriate path for recommendations to be considered and action taken.

## **Membership**

The FRTF membership will be comprised of those CCC and RSTC members and observers appointed by the CCC and RSTC Chairs. It is desired and highly encouraged that CCC and RSTC leadership as well as NERC and Regional Entity management participate.

1. Composition
  - a. CCC and RSTC Members
  - b. CCC and RSTC Active Participants (Observers)
2. Leadership
  - a. The FRTF will be co-chaired with one person from each committee.
3. Observers
  - a. The FRTF Chair may invite observers to participate in meetings, which may include additional NERC or Regional Entity staff, as well as other CCC and RSTC members. Observers may actively participate in the discussion and FRTF deliverables.

## **Meetings**

The FRTF meetings will be scheduled based on workload, as determined by the members. Due to the short duration of the FRTF, it is likely meetings will be monthly and will be conducted by conference call. Meetings may also occur in conjunction with the regular CCC or RSTC meetings. The FRTF meetings will be open to other participants. The FRTF Chair will approve this participation and work with the CCC and RSTC Chairs for any necessary appointments.