Are You Positive?

An Evolving Outlook on Compliance Learning

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Compliance Manager
Brazos Electric Power Cooperative, Inc.
About Brazos

- Approximately 380 employees
- Three wholly-owned operating generating facilities
- Over 2600 miles of transmission facilities serving member coops in 68 Texas counties
- TOP, TO, DP, LSE, TP, GO, GOP
- Subject to all CIP standards
- Mostly in ERCOT Region (small number of facilities in SERC Region)
- Robust formal compliance program with formal training, senior management and board oversight, and progressive discipline policy
- No Brazos employee is only responsible for NERC compliance, but compliance is a significant portion of many employees’ jobs.
My Background

♦ Licensed Attorney (Texas) - since 1998
♦ Attorney for ERCOT - 1999 to 2007
♦ Law Firm (utility law) - 2007 to 2011
♦ Compliance Manager, Brazos - 2011 to present
♦ Dog Trainer - 1980 to present

Opinions expressed are my own.
Times are Changing - Mixed Messages

- OLD: We learn best through punishment or fines.
- OLD: If something goes wrong, it is always an individual’s fault.
- NEW: We should recognize and reward desired behavior.
- NEW: If something goes wrong, we probably need to fix the system, not the individual.
The bad news: We will never be done.

The good news: We will never be done. There will always be opportunity to improve.
Motivation is critical to learning.

Every interaction or event is a vehicle for learning. That learning may be useful or damaging depending on the behaviors or reactions of those involved.

Learning is a two way street. The trainee influences the trainer and vice versa.
Why Positive Reinforcement?

♦ A philosophy of punishment will only incent the bare minimum in performance.
♦ It takes positive reinforcement to obtain superior results.
But Does it Work on People?

♦ Absolutely!
♦ Simply pick the right motivators for your subject:

<table>
<thead>
<tr>
<th>My Dog</th>
<th>Me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praise</td>
<td>Praise</td>
</tr>
<tr>
<td>Dog Treats</td>
<td>Money / Gifts / Chocolate</td>
</tr>
<tr>
<td>Belly Rubs</td>
<td>Fun</td>
</tr>
</tbody>
</table>
Reliability Compliance is No Laughing Matter, But…

You can improve motivation to learn about compliance by having fun or being funny:

♦ Have a competition
♦ Play a game
♦ Make reports more entertaining
♦ Have employees role play or act out scenarios in training sessions
Something Fun: How Not to Learn From Your Mistakes (Root Cause Analysis)

Most opportunities for positive reinforcement involve mundane everyday activities. If you wait for something special, you have missed a hundred small opportunities to reinforce a desired result.

Say thank you every chance you get – be specific about the action you are acknowledging.

A card or candy is an inexpensive way to recognize someone.

Small spot bonuses or gift cards might seem insignificant, but they can make a lasting impact.

Encourage feedback – acknowledged input is a positive experience for the contributor and you might learn something.
Sometimes, a simple thank you will do…

You’re Number 1.01!

Thank you for your input in our 2012 NERC process review!
Failure as a Opportunity to Learn

- Failure can give us a chance to engage our minds to figure out new solutions.
- Finding these solutions can make a failure a very positive experience.

**Caution:** If we set employees up to fail as part of a learning experience, we must be careful to make it a positive experience.
Employees,

The Brazos Electric will be making changes to the current employee benefits package immediately.

You have the opportunity to maintain the same benefits, or change, by using to the employee portal to do so.

You can enter the portal here.

Failure to respond to the selection, will result in the new default package being assigned to you.

Please take the time to address this as it is very important to your future.

Thank you.
Brazos Electric Cooperative, Inc
Human Resources Department
With compliance learning, the risks of emails like this are minimized:

Fed Ex

Order: JN-8947-32438007
Order Date: Thursday, 3 January 2013, 11:23 AM

Dear Customer,

Your parcel has arrived at the post office at January 6. Our courier was unable to deliver the parcel to you.

To receive your parcel, please, go to the nearest office and show this receipt.

GET & PRINT RECEIPT

Best Regards, The FedEx Team.
At 05:18 CST on February 2, 2011, ERCOT ISO was experiencing a system emergency (EEA-2a), when it issued the following verbal directive: “Do not take units off-line while ERCOT is in emergency operations unless it is due to a forced outage. Report when online available capacity is at risk due to an adverse circumstance.”

At 08:09 the same day, while the system emergency was still in effect (although restoration of off-line load had begun), Brazos removed a 15 MW hydroelectric resource from service in order to conserve water for later use (equipment limitation).

Realizing the mistake, at 08:11, the Brazos resource operator requested the hydro facility operator return the off-line unit to service, but the unit was then subject to a 30-minute operational limitation delay before restart could occur. The off-line unit was returned to service at 08:42.

During the course of the above events, ERCOT ISO was not contacted. Therefore, Brazos did not follow a reliability directive issued by the Reliability Coordinator as required by IRO-001 R8.

Facts taken from December 2011 NERC NOP Spreadsheet. Penalty was $8,500
IRO-001-1.1 R8: “Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing-Selling Entities shall comply with Reliability Coordinator directives unless such actions would violate safety, equipment, or regulatory or statutory requirements. Under these circumstances, the Transmission Operator, Balancing Authority, Generator Operator, Transmission Service Provider, Load-Serving Entity, or Purchasing-Selling Entity shall immediately inform the Reliability Coordinator of the inability to perform the directive so that the Reliability Coordinator may implement alternate remedial actions.”
Traditional Mitigation Efforts

- Re-training staff
- Disciplinary action (written reprimand)
- Submitted as mitigation plan with self-report

*These are the type of mitigation efforts that have been expected in the past. But this problem was not simply an issue with a single individual.*
New mitigation idea – fix the system, not the individual

♦ Proposed during settlement discussions

♦ Goal: increased operator awareness of on-going ERCOT instructions via dedicated monitors

♦ Installed monitors displaying ERCOT emergency instructions very visible and close to phones at QSE and plant control rooms - allows double-checking by plant and control room staff regarding ERCOT instructions

♦ Reduced our proposed penalty by about half
Monitor for each control room (plant and control room) – Normal Conditions

There are no active ERCOT alerts...

Cancelled alert history (current date + 1 day)

<table>
<thead>
<tr>
<th>Id</th>
<th>Date</th>
<th>Type</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

There is no alert history to display.
Monitor for each location – Alert Active

Issued on: 9/12/2012-12:08

**ALERT**

- Physical Responsive Capability falls below 3000 MW.

Instruction to plant:
(ERCOT is issuing an Advisory due to Physical Responsive Capability falling below 3000 MW. Please ensure you are telemetering correct values.)

This is a TEST only. Please Disregard.

CANCELLED ALERT HISTORY (Current Date + 1 Day)

<table>
<thead>
<tr>
<th>Id</th>
<th>Date</th>
<th>Type</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
</table>

There is no Alert History to display.
♦ Achieving superior results requires a high level of motivation. If you want to get great results, you must acknowledge specific successes, even small ones, in a positive manner.

♦ All interactions and events are opportunities for learning, but our responses will influence what learning happens.

♦ Learning often needs to happen at the company or system level (fix the system, not the individual).
Recommended Reading

♦ *Don’t Shoot the Dog* by Karen Pryor
♦ *What Shamu Taught Me About Life, Love, and Marriage* by Amy Sutherland
The End?

*Not really – we are never finished learning.*

QUESTIONS?
Agenda

• Safety Leads
• Compliance Education at OG&E
• Questions
Safety Leads

“Work Zone Flagger Introduction ”

http://youtu.be/zCG-_BMsvTU?hd=1
OGE Compliance Program

- Oversight
- Mitigation
- Planning
- Assurance
- Operations
Utility Technical Learning

• Goal: Enhancing the effectiveness with which OGE manages and delivers learning solutions.
OG&E Approach To Training

• Blended Model Approach
  – Instructor Led
  – Computer Based Training Modules
  – On The Job Training (OJT) Hours
  – Awareness & Proficiency Testing
    • Online Test
    • Job Proficiency Measurement (JPM)
Training Tools

Video
- Professional HD Video Camera
- Teleprompter
- Video Editing Software

Hands On Learning Labs
- AC/DC Electrical
- Centrifugal Pumps
- Mechanical Drive Systems
- Control Operator Simulators

Content Tools
- Captivate
- Lectora
- Articulate Storyline
Course Development Cycle

- UTL Training Request
- Content Development
- Storyboard Development
- Course Review & Approval
- Audio Recording
- Production
- Go Live
Welcome to the Organizational Development & Learning Website

WITH ALL YOUR POWER

WHAT WOULD YOU DO?
## Compliance Evidence

### Online Courses

<table>
<thead>
<tr>
<th>Course Description</th>
<th>Curriculum</th>
<th>Review</th>
<th>Completion Date</th>
<th>Progress</th>
<th>Certificate</th>
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<tbody>
<tr>
<td>2012 Load Reduction Program (CBT)</td>
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<td>Print Certificate</td>
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Examples of Compliance Courses

• NERC CIP
• NERC VAR-002
• NERC PRC-001
• NERC PER-005 courses
Options

- Spreadsheet or Database
  - Course Attendance
  - Awareness or Proficiency Results
- Outsource Course Development
- Outsource Training Program
Conclusion

• Subject Matter Experts
  – Play An Integral Role In The Process

• Supervisors
  – Create The Environment For Learners To Apply The Skills
  – Validate The Benefit Received

• Present A Compelling Story
  – Why The Knowledge And Skill Is Critical To Our Members And Our Business
Questions
Oklahoma Municipal Power Authority’s NERC Training Program

Ashley Stringer
Compliance Specialist
OMPA MISSION

- To provide reliable, low-cost energy and service to municipal entities to enable each municipality to be competitive, while maximizing the benefits of our stakeholders.
**Organizational Setup**

- OMPA is a Joint Action Agency for the State of Oklahoma providing wholesale electric power to 39 member cities
- OMPA is a small organization comprising approximately 60 employees in two locations: Edmond and Ponca City, Oklahoma
- Governed by an 11 member Board of Directors elected by member cities
- Day-to-day operations are managed by the General Manager
SYSTEM DESCRIPTION

- OMPA meets the needs of its member cities through a combination of owned assets and purchase power contracts. In addition, OMPA owns a limited amount of transmission lines and distribution substations.
- Majority of load is delivered through transmission service agreements
- OMPA operates at 138kV (radials), 69kV and lower
- 2012 Peak Demand = 811 MW
NERC REGISTERED FUNCTIONS

- DP Distribution Provider
- RP Resource Planner
- PSE Purchasing Selling Entity
- LSE Load Serving Entity
OMPA Compliance Department

- Compliance Specialist
- Depend on SME’s for some compliance
- Team effort to maintain compliance with NERC Standards
CULTURE OF COMPLIANCE OVERVIEW

- OMPA NERC Compliance Plan
- Annual NERC internal audits (RSAWS)
- Annual NERC compliance training
- Participation in NERC, SPP, APPA webinars, workshops, working groups, monthly calls, etc.
- Retains consultant Utility Services
OMPA NERC COMPLIANCE PLAN

- Addresses FERC’s 12 questions in “Policy Statement on Enforcement”
- Establishes training requirements
- Establishes staff Responsibilities
- Internal Audit Schedule
- Adapted from the APPA/NRECA template
OMPA’S NERC Compliance Training Program

- Annual training required for all employees
- Classroom based training
- Notification through GM
- 4 sessions
  - Engineering
  - Operations
  - Generation
  - General
TRAINING TOPICS

- Overview of FERC/NERC and the NERC Compliance Monitoring and Enforcement Program (CMEP)
- The OMPA NERC Compliance Plan
- NERC and Regional Reliability Standards applicable to OMPA
- Potential consequences of non-compliance (violations) and examples of actual penalties
- The importance of self-reporting potential violations

Instructions on:
- How to report potential violations
- How to identify and report disturbances and sabotage
- How to make records of events and actions taken

- Corporate policies regarding compensation, promotion, and disciplinary action related to employees’ compliance with NERC requirements
OMPÁ’S NERÇ COMPLIANCE TRAINING PROGRAM

- Approximately 1 hour sessions
- Provide short survey for attendees
- NERÇC crossword puzzle with gift cards for winners
OMPAs NERC Compliance Training Assessment-2013

- 95% said training was beneficial to very beneficial
- 65% said the training would help them do job better
- 67% said their job related to NERC often or constantly
- 96% said they understood consequences of NERC violation well to very well
- 98% said they knew where to find the NERC Compliance Plan
- 93% said they knew how to handle a sabotage event well to very well
COMPLIANCE AWARENESS EFFORTS

- NERC posters in break/copy rooms
- Anonymous NERC suggestion box

GOT A NERC VIOLATION?

BENEFITS OF SELF REPORTING
- Indicates a strong Culture of Compliance to FERC.
- Self-Reporting is heavily rewarded when determining if a penalty is assessed and amount of the penalty.

If you know or suspect a NERC violation has occurred please contact OMPA’s Compliance Specialist or Senior Management.
405-359-2522 or astringer@ompa.com
Tips can also be left anonymously in the suggestions box.
COMPLIANCE AWARENESS EFFORTS

Quarterly NERC article in OMPA’s newsletter

Quarterly report to OMPA Board of Directors
COMPLIANCE AWARENESS EFFORTS

- Transition from Intranet to SharePoint
- OMPA NERC Procedures
- Compliance Plan
- Training Dates
- Performance Goals

Welcome to Oklahoma Municipal Power Authority
“Owned by the members we serve”
Get started with the new version of OMPA Intranet

New OMPA Mission Statement
To provide reliable, low-cost energy and service to municipal entities to enable each municipality to be competitive, while maximizing the benefits of our stakeholders.
FUTURE TRAINING PLANS

- Considering Computer Based Training to enhance program
- Training for personnel at Member Cities
- Preparation for 2014 Audit
Achieving “Buy in”

- Visible support from Executive Management
- Consistency
- Provide clear expectations for staff

Source: www.dilbert.com
THE END

- Questions
- Comments

DO NOT Make Me Use My Auditor Voice!