NERC Compliance and Certification Committee (CCC)
Report to Southwest Power Pool Regional Entity Trustees

Submitted by Jennifer Flandermeyer, SPP RRO Member, NERC CCC
Senior Manager, Operations Compliance, Kansas City Power & Light
January 17, 2013

NERC CCC Meeting

- The NERC CCC held its quarterly meeting in Phoenix, AZ on December 5-6, 2012. The materials for this meeting can be found:
  - Agenda: Error on website, attached to written report.
  - Minutes and Presentations: Not yet available.

- The CCC received an update on the Reliability Issues Steering Committee (RISC) activity. As a newer committee, they are an advisory committee that reports to the NERC Board of Trustees. They perform the following activities:
  - Triages and provides leadership and accountability for nominated issues of strategic importance to bulk power system (BPS) reliability
  - Helps to establish a common understanding of the scope, priority, and goals for developing solutions to address these issues
  - Provides framework for helping NERC / industry focus resources towards improving BPS reliability
  - Manages a broader, governance function over higher risk items to inform the BOT on activities occurring to mitigate risk. Higher risk items include topics such as human error, protection systems, situational awareness, generation availability, EMP, Pandemic, etc.
  - There are members from the standing committees as well as members at large.

- Substantial time was dedicated to the Reliability Assurance Initiatives, white papers proposed for industry comments and coordination with the Risk Based Reliability Compliance Working Group as a subset of the CCC that worked with NERC on the Entity Impact Evaluation. Earl Shockley, Lane Lanford and Jerry Hedrick were there to present and discuss with the Committee. There was active debate over internal controls, how they are defined, how they will be managed, what can be mandated and / or expected, impacts to diversity in regions, how this will influence enforcement and what the mechanism will be to ensure consistency in application.

- The ERO Monitoring subcommittee delivered the results of the 4th annual Stakeholder satisfaction survey. The survey was sent to 1,627 individuals and the response rate was 26.4%. Discussion occurred for ideas to encourage participation to drive positive improvements in programs. The SPP response rate was 42% - ranking 3rd of the 8 regions in participation. Overall themes were consistent with prior years suggesting that communication and consistent application across regions are still problematic. There were many positive items captured as well with regional improvements to programs and approaches to support the reliability of the grid.

- NERC Staff made a presentation on the retooling of the Standards Development Process. They will have three development teams and one information management team to support all three. This will increase productivity and flow management capacity. The premise depends on a heavy level of industry engagement and support for the efforts as well as a restart on trust between the ERO and

industry participants. NERC believes our mutual success and ability to maintain control of the outcomes is dependent on the industry support, participation and ability to move well crafted standards quickly through the processes to conclusion. The NERC Standards Committee will have a critical role in this process. The CCC subcommittee for Standards Interface will have a critical role in a quality review form of the developments and deliverables from Standards Drafting Teams. NERC has reviewed and anticipates improvements or changes to the composition of drafting teams as well as the standards processes themselves. This work is correlative to the Standards Process Improvement Group (SPIG) formed by the Member Representatives Committee for actions in this area and reporting to the NERC Board. Five recommendations were approved by the NERC Board in May 2012. Some of the aforementioned changes are resultant from the SPIG recommendations. The revisions and resolution will be presented in final form to the NERC Board in February 2013.

- The CCC discussed the results of the Compliance Monitoring and Enforcement Program audit of NERC. In addition, the results of the Organization Registration and Certification audit of NERC were presented.

- The Committee concluded the meeting with review of recent enforcement statistics, pending changes to Rules of Procedure and updates from NERC staff on various process changes.

- Scheduled CCC meetings are as follows:

    - March 13-14, 2013, Atlanta, GA
    - June 12-13, 2013, Atlanta, GA (tentative)
    - September 18 – 19, 2013 Denver, CO
    - December 4 – 5, 2013, Atlanta, GA (tentative)

NERC
NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Agenda
Compliance and Certification Committee

December 5, 2012 | 1:00–5:00 p.m.
December 6, 2012 | 8:00 a.m.–Noon

Arizona Public Service Company
400 North 5th Street
Phoenix, AZ 85004

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda

1. **Administrative – Secretary**
   a. Announcement of Quorum
   b. Compliance and Certification Committee (CCC) Roster Update
   c. Action Item Update
2. **Committee Business**
   a. Review and Approve CCC September 2012 Meeting Minutes – Terry Bilke
   b. Report of November 2012 Member Representative Committee (MRC) and Board of Trustees (Board) Meeting – Patti Metro*
   c. Reliability Issues Steering Committee (RISC) Update – Clay Smith
   d. 2013 CCC Work Plan (Final Review) Patti Metro*
   e. Audit of NERC Compliance Monitoring Enforcement Program (CMEP) and Organization Registration and Certification Program (ORCP) – Mechelle Ferguson and Clay Smith
   f. Reliability Assurance Initiative – Lane Lanford
      i. NERC Update – Earl Shockley
      ii. Regional Entity (RE) Perspective – Lane Lanford
      iii. CCC Input – Robert Hoopes

3. **Subcommittee Updates**
   a. Electric Reliability Organization Monitoring Subcommittee (EROMS) – Ted Hobson
      i. 2012 Stakeholder Survey Update and Action Plan – Ted Hobson and Jelena Crawford
      ii. Approve Self-Certifications
   b. Standards Interface Subcommittee (SIS) – Jim Stanton*
      i. Single Portal Proposal
      ii. Future of Compliance Elements
      iii. Standard Processes Manual (SPM) Changes Affecting Development of Compliance Elements – Val Agnew
   c. Procedures Subcommittee (PROCS) – Matt Goldberg
      i. Rules of Procedure (Actionable Timelines Review)
      ii. Review Compliance and Certification Committee Protocol's (CCCPs) for Updates
   d. Organization and Certification Subcommittee (ORCS) – Howard Rulf
      i. Rules of Procedure 500 and Appendix 5A Update
      ii. RISC Nomination
   e. Nominating Subcommittee – Martin Huang
4. **Compliance Metrics Dashboard** – Greg Pierce and Ed Kichline
5. **NERC Staff Update**
   a. Reliability Assurance Initiative (RAI) Update – Earl Shockley
   b. Internal and Reliability Risk Controls – Jerry Hedrick
   c. Enforcement Statistics – Ed Kichline
6. **Member Round Table – Final** – Terry Bilke
7. **Future Meeting Dates**
   a. March 13-14, 2013
   b. June 12-13, 2013
   c. September 18-19, 2013
   d. December 4-5, 2013
8. **Adjourn**

* Background materials included.