



REGIONAL ENTITY TRUSTEES MEETING

FEBRUARY 17, 2015

Teleconference

A G E N D A

9:00 a.m. – 11:00 a.m. CST

1. Call to Order/Introductions John Meyer
2. Antitrust Guidelines..... John Meyer
3. Approval of 1/26/15 Meeting Minutes John Meyer
4. Approve 2015 Staff Goals and Metrics * *Action item*Ron Ciesiel
5. Enforcement Report.....Joe Gertsch
6. General Manager's Report.....Ron Ciesiel
7. YTD Financial Update.....Debbie Currie
8. Outreach Update Emily Pennel
9. New Action Items..... Emily Pennel
10. Future Meetings..... Emily Pennel

April 27, 2015 - Tulsa

July 27, 2015 - Kansas City

October 26, 2015 - Little Rock

SPP Regional Entity Antitrust Guidelines

It is SPP RE's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.



REGIONAL ENTITY TRUSTEES MEETING
JANUARY 26, 2015
Dallas, Texas
A G E N D A
8:00 a.m. – 3:00 p.m.

Background Material

1. **Call to Order/Introductions** **John Meyer**
The Chairman called the meeting to order at 8:00 a.m.
2. **Antitrust Guidelines**.....**Emily Pennel**
3. **Approval of Meeting Minutes – 10/27/14**..... **John Meyer**
The Trustees approved the minutes from the October meeting.
4. **2014 Year in Review**..... **Ron Ciesiel**
In 2014, the SPP RE staff’s weighted total metrics achievement was 121.8%. We performed 56 audits and improved audit processes such as enhancing the pre-audit review. RE staff helped develop the ERO-wide Auditor Handbook and began using it to verify consistency of audit documentation and work papers. FERC observers attended five SPP RE audits and provided positive feedback.

SPP RE’s Event Analysis staff engaged with the national NERC Event Analysis program and handled 30 reportable events, including 13 events that qualified for a category of one or higher. We responded to a FERC inquiry regarding regional follow-up actions in response to recent winter storms, worked with the RTO to publish three regional reliability assessments, and coordinated Facility Ratings Alert activity for the SPP RE region.

After the new Bulk Electric System definition went into effect in July, we processed 143 self-determined notifications for 154 elements and two local networks. SPP RE added four new Registered Entities, de-activated seven, and reduced the number of registered functions for 14.

In 2014, the SPP RE Enforcement group received the lowest number of incoming violations it has received since 2009. Of the 121 incoming violations, 66 or 55% were self-identified. Due to the reduced number of incoming violations and efficiency gains in the processing of minor risk violations, the Enforcement caseload at year’s end is down to 119, from 186 in 2013. There were 99 mitigation plans submitted in 2014 as compared to 200 in 2013.

We had excellent attendance at our regional workshops and webinars. We are enhancing the webCDMS compliance management tool to keep up with the compliance program changes.

5. **Accept 2014 Goals and Metrics Performance * Action item Ron Ciesiel**
The Trustees unanimously accepted the 2014 goals and metrics performance as presented.

6. **Approve 2015 Goals and Metrics * Action item..... Ron Ciesiel**
We developed new 2015 goals and metrics to support NERC’s metrics and goals, recent process changes, our changing workload, and our more experienced staff. The Trustees asked staff to review some of the metrics to make them more challenging. The Trustees will vote on the revised metrics during an upcoming call.

7. **CIP Update..... Kevin Perry**
Several CIP V5 lessons learned have been written; they do not have the force of regulatory law like the standards do. Mr. Perry encouraged Registered Entities to review the draft lessons learned and submit comments as needed. NERC expects to post the top 15 lessons by April 1, 2015. NERC is planning a website called “CIP University” with information from all regions. SPP is holding “CIP Week” in June with the SPP RE Workshop followed by the RTO Forum. We are holding CIP break-out sessions at the Spring Workshop. Staff is also planning one-on-one assistance visits at Registered Entities. We issued a survey to determine CIP educational needs.

NERC adopted some FERC-required revisions to CIP V5 standards in November. Additional revisions are in progress to address remaining FERC Order 791 directives. The ballot body approved the revisions; the final ballot will be open through February 2, 2015.

CIP-014, Physical Security, is enforceable after October 1, 2015. The SPP RTO Engineering Department will be able to perform the third-party assessment verification. A Standard Authorization Request for CIP-014 was posted to address FERC Order 802 directives.

8. **Compliance and Certification Committee.....Jennifer Flandermeyer**
The CCC made some charter changes to reflect what the CCC has been doing to support NERC and actual activities the CCC performs. The CC is serving on the Risk-Based Compliance Monitoring and Enforcement (formerly RAI) Advisory Group to support maturation of ERO processes. The CCC has been involved in the Risk-Based Registration effort and has supported a number of outreach events.

9. **Bulk Electric System Definition Activity Update..... Greg Sorenson**
A self-determined notification is for an element that did not meet the old BES definition but meets the new one, or vice versa. An exception request is for an element does not meet the new definition but is material to reliable BES operation (inclusion), or for an element that meets the new definition but is not

material to reliable operations (exclusion). SPP RE staff processed 134 exclusions and eight inclusions in an average of 8.5 days. We have had no changes to the list of Registered Entities.

After SPP RE issues a recommendation, Registered Entities have 30 days to respond prior to the NERC decision. NERC will evaluate the regional recommendation and issue a decision within 90 days of the regional recommendation. The NERC decision completes the decision process, but is subject to appeal.

For elements that are no longer part of the BES definition, the compliance obligation ends once the region is notified via a self-determined notification. New BES elements must be compliant with all Reliability Standards by July 1, 2016.

NERC has filed proposed changes to the NERC Rules of Procedure. If approved, Purchasing-Selling Entities, Interchange Authorities, and Load Serving Entities would no longer be registered functions. The registration load threshold for Distribution Providers would increase to 75 MW. SPP RE will make registration changes after FERC approval.

10. Inherent Risk Assessment /Internal Controls EvaluationMike Hughes

RAI (now called Risk Based Compliance Monitoring and Enforcement) was to move us from zero tolerance and historical compliance to future assurance of compliance. Risk Based Compliance Monitoring and Enforcement includes:

- Auditor Handbook and Checklist
- Inherent Risk Assessment (IRA) Guide
- Internal Control Evaluation (ICE) Guide
- Bulk Electric System Exception Process
- Multi-Regional Registered Entity Audit Process
- Regional Consistency Reporting Tool
- Risk Based Registration
- Enhanced Find, Fix, Track
- Compliance Exception
- Self-Logging of Minimal Risk Issues

We no longer have the Actively Monitored List. Now, annual risk elements are identified which drive the standards and requirements selected as the base scope. Each region identifies local risk elements to add to their regional base scope. Risk assessments are based on the Pre-Audit Questionnaire, previous audits, violation history, self-certifications, periodic data submittals, and information available to the general public. We expect to complete IRAs for all three-year audits scheduled in 2015. IRAs will help drive compliance monitoring plans for all entities.

The Internal Controls Evaluation (ICE) is optional. Every Registered Entity has internal controls that relate to people, processes, systems, tools, and management practices. ICE will take time in the initial phase; efficiencies will come over time. You can use ICE for just one or two standards.

11. Summary of Recent System Events.....Alan Wahlstrom

We had 30 system events in 2014. In the fourth quarter, we had one category 1h (*partial loss of monitoring or control at a control center for 30 min*), one category 1a (*an unexpected outage, contrary to design, of three or more BPS facilities*), and one category 2a (*complete loss of SCADA, control or monitoring for 30 min*). NERC has posted several new lessons learned on Control System Network Switch Failure, Bus Differential Power Supply Failure, and Loss of Generators Due to Control Air.

On the Facility Ratings Alert, 100% of the high priority lines are complete, 72% of the medium priority lines are complete, and 75% of the low priority lines are complete. Seven companies have extensions and are making progress on remediation.

12. Enforcement Report Joe Gertsch

In response to a stakeholder question: in 2014 we invoiced \$456,000, which was spread across 100 violations. We had 121 incoming enforcement issues in 2014; 62 were through the Find, Fix, Track (FFT) process. Eventually, minimal risk violations that have been processed through FFT will become Compliance Exceptions. The end of year caseload was 119; 83 are CIP and 36 are Operations & Planning. Violations are down significantly. We processed 188 violations in 2014. In 2014, we accepted 102 mitigation plans.

13. General Manager's Report/Compliance Report Ron Ciesiel

An SPP Director noted that having SPP RE under the SPP, Inc. organization is working very well and bringing dividends to stakeholders. This is the seventh quarter with no reportable vegetation contacts. In the third quarter of 2014, the region had 91.8% correct operations. Communication failures and incorrect settings/logic/design errors continue to be the leading cause of misoperations. At our request, the System Protection and Control Working Group wrote a white paper on communications failures. We have asked them to also analyze incorrect settings/logic/design errors. PRC-005 has dropped to the 9th most violated standard; this is good news. As noted previously, violations are down significantly.

14. Electric Infrastructure Protection Discussion.....Dave Christiano

Trustee Christiano expressed his concern about the possibility of armed attacks on our facilities. How would we act in such a situation? An SPP Director noted that a chief concern needs to be our ability to deal with workplace violence and sabotage. Are there things SPP RE could do to help in this area, other than enforce the CIP standards?

15. Year-to-Date Financial Statement.....Debbie Currie

We ended the year with four open staff positions, which impacts personnel, travel, and the SPP, Inc. overhead charge. Moving forward, we are going to not going to budget for contingencies such as hearings. We have a relatively flat budget from 2014 to 2015. We expect to underrun the budget in 2015 as well. We begin the budget cycle very early – up to 18 months in advance. Any overbudgeted dollars will be ultimately be refunded to Registered Entities.

16. Outreach ActivityEmily Pennel

The 2015 workshops will be March 10-11 in Little Rock, June 2-3 in Kansas City, and Sept. 29-30 in Dallas.

17. NERC COMMITTEE REPORTS – Comments or Questions

17a. Planning CommitteeNoman Williams

Noman noted that NERC - with Regional Entities, relay vendors, and industry participants - will coordinate the development of white papers on misoperations. An industry workshop is planned for 2015 to develop, approve, and reinforce protection system best practices.

17b. Critical Infrastructure Protection..... Eric Ervin

17c. System Protection and ControlLynn Schroeder

17d. Interchange SubcommitteeJason Smith

17e. Operating Committee Report.....Jim Useldinger

18. New Action ItemsEmily Pennel

- Modify 2015 staff goals/metrics and bring them back for approval
- Recognize Robert McClanahan at the next meeting in recognition of his terms as the SPP CIPWG and NERC CIPC committee representative
- At the next relevant NERC meeting, the Trustees will discuss the timing of the NERC budget cycle

The Trustees adjourned the regular meeting at 2:31 and went into a closed session to discuss personnel and compensation issues.

19. Future Meetings..... John Meyer

April 27, 2015 - Tulsa

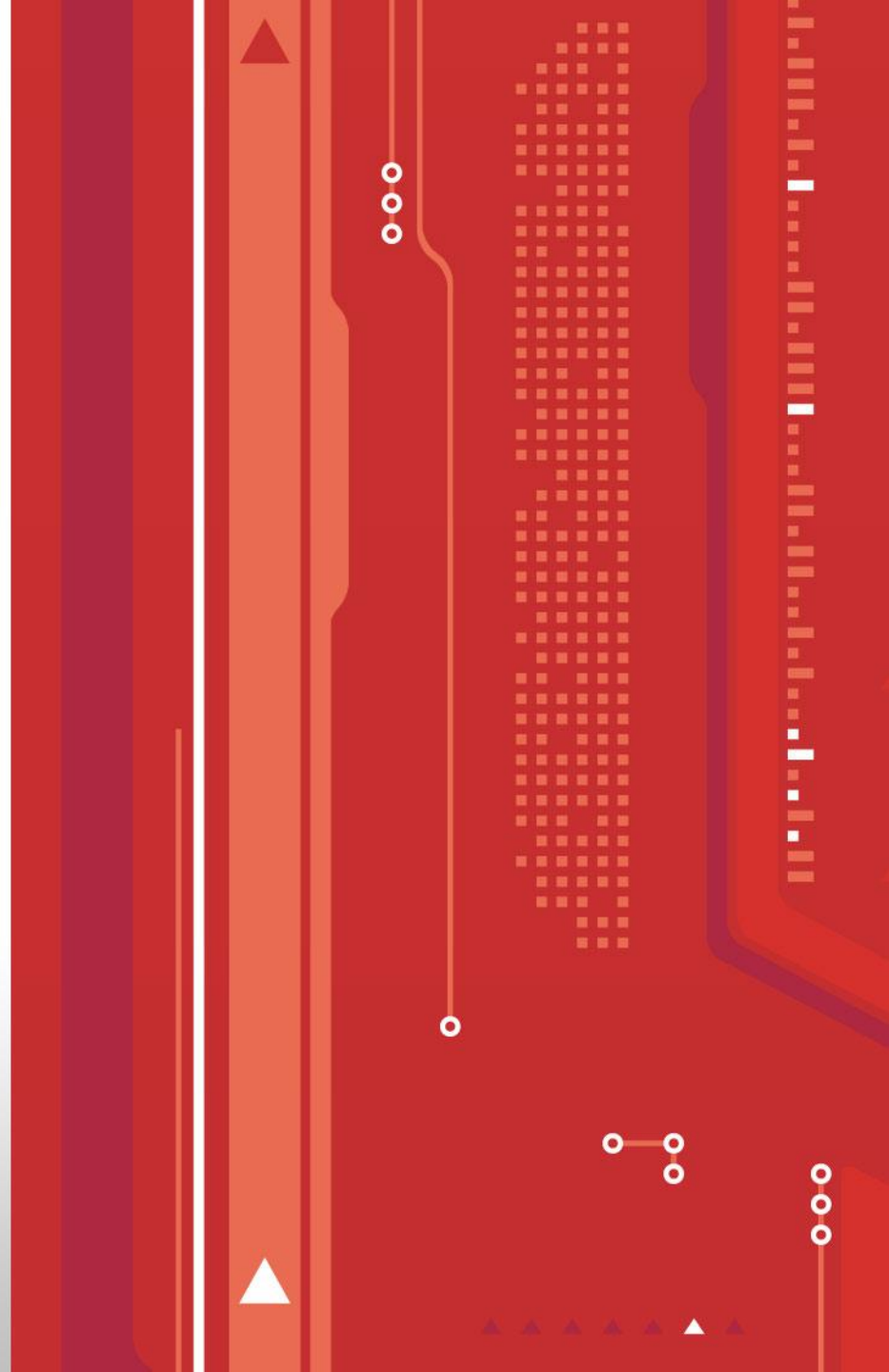
July 27, 2015 - Kansas City

October 26, 2015 - Little Rock

SPP RE 2015 Staff Goals and Metrics

February 17, 2015

Ron Ciesiel
SPP RE General Manager



Goals and Metrics Development

- **Support NERC ERO Performance Metrics**
- **Support NERC Internal Business Goals**
- **Support RAI and other NERC Initiatives**
- **Reflect Anticipated Changes in Workload/Caseload**
- **More Mature and Experienced Staff**
- **Anticipated Process Changes**
- **Additional Metric to Support Continuous Improvement**

2015 Goals and Metrics

Metric	Description	2014 Performance	2014 Weight	As presented January 26		Current Proposal	
				1/26/15 Weight	Proposed Changes	2/17/15 Weight	Proposed Revisions
1	Expedite mitigation of High Impact Violations	97.07 days	10.0%	7.5%	Weighting was reduced by 2.5%	5.0%	Reduced the weighting an additional 2.5% to reflect the anticipated lower number of incoming HI violations.
2	Maintain caseload of no more than one year	101.62%	10.0%	10.0%	No Change	10.0%	No Change.
3	Accept or reject Mitigation Plans within 30 days of submission by the Registered Entity Enforcement must perform an acceptance review of originally submitted and resubmitted mitigation plans in 30 and 10 days respectively.	100% & 10.3 days	5.0%	5.0%	Metric now includes requirement to perform an acceptance review for mitigation plans previously rejected within 10 days of resubmission. To reflect the addition of the 10 day requirement the eligibility for 150% payout was reduced from 25 to 15 days.	5%	No Change.
4	Complete Mitigation Plan completion reviews within 25 days of Registered Entity notification of completion	9.57 days	5.0%	5.0%	No Change	5%	No change in weighting. Reduce the average days associated with the 50%, 100% and 150% performance contribution to 30, 20 and 10 average days respectively.
5	Process pre-2014 violations and send to NERC by 11/20/15 By completing 100% of the identified violations a payout of 100% can be achieved. There is no payout above 100%.	100%	7.5%	7.5%	There were 36 pre-2013 violations in the 2014 metric. For the 2015 metric there are 44 violations, including 10 violations previously on hold. Two pre-2014 violations with scheduled mitigation plan completion dates in 2016 were not included in the metric. The metric also includes two MRRE violations where SPP is not the lead.	7.5%	No Change.

2015 Goals and Metrics

Metric	Description	2014 Performance	2014 Weight	As presented January 26		Current Proposal	
				1/26/15 Weight	Proposed Changes	2/17/15 Weight	Proposed Revisions
6	Complete incoming possible violation triage within 60 days of Compliance staff sending the possible violation to Enforcement	29.37 days	5.0%	5.0%	No Change	5.0%	No change in weighting. Reduce the average days associated with the 80%, 100% and 150% performance contribution to 60, 45 and 30 respectively.
7	Complete documentation close-out of all violations within 45 days of issuance of the Notice of Completion of Enforcement Action. There is no payout above 100%.	85.57%	5.0%	5.0%	No Change	5.0%	No Change
8	Publish non- public off-site audit report to NERC	31.39 days	7.5%	5.0%	Reduced the weighting from 7.5% to 5%. The average number of days associated with each performance contribution was decreased by 5 days in recognition of historical Audit team performance.	5.0%	No change in weighting. Eliminated the use of average days for the 80% and 100% performance contribution. The performance contribution is now based on the percent reports published in <= 45 days. If 100% reports are published in <= 45 days then the average days to publish is utilized to determine the performance contribution above 100%.

2015 Goals and Metrics

Metric	Description	2014 Performance	2014 Weight	As presented January 26		Current Proposal	
				1/26/15 Weight	Proposed Changes	2/17/15 Weight	Proposed Revisions
9	Publish non- public on-site audit report to NERC	39.13 days	7.5%	5.0%	Reduced the weighting from 7.5% to 5%. The average number of days associated with each performance contribution was decreased by 5 days in recognition of historical Audit team performance.	5.0%	No change in weighting. Eliminated the use of average days for the 80% and 100% performance contribution. The performance contribution is now based on the percent reports published in <= 65 days. If 100% reports are published in <= 65 days then the average days to publish is utilized to determine the performance contribution above 100%.
10	Review and issue determination for BES registration and deactivation requests	8.11 days	5.0%	5.0%	No Change	5.0%	No Change
11	Publish internally completed assessment of Self-Certification/ periodic data submittals	100%	5.0%	5.0%	The Performance Contribution associated with the 80% and 90% on time completion was reduced to 50% and 80% respectively to reflect a greater emphasis on completing 100% publication of internally completed assessments of self-certifications and periodic data submittals.	5.0%	No Change

2015 Goals and Metrics

Metric	Description	2014 Performance	2014 Weight	As presented January 26		Current Proposal	
				1/26/15 Weight	Proposed Changes	2/17/15 Weight	Proposed Revisions
12	Process incoming possible violations to NERC through webCDMS in 5 business days or less	3.04	5.0%	5.0%	No Change	5.0%	No change in weighting. Eliminated the performance contribution > 100%. Eliminated the use of average days for the 80% and 100% performance contribution. The performance contribution is now based on the percent violations process in <= 5 business days.
13	Control out-of-pocket expenses for on-site/off-site audits (contractor billings and travel)	-39.38%	10.0%	10.0%	Based on budget to actual performance in 2014 the percent difference for a 150% performance contribution was increased from -10% to -15%. Similarly, the performance contribution associated with a +10% difference was reduced from 80% to 50%.	10%	No Change
14	Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2014 – 3Q2015	89.55%	2.5%	2.5%	The success rate associated with the 80%, 100% and 150% performance contribution was increased from 84% to 88%, from 87% to 90% and from 90% to 92% respectively to reflect historical performance.	2.5%	No Change

2015 Goals and Metrics

Metric	Description	2014 Performance	2014 Weight	As presented January 26		Current Proposal	
				1/26/15 Weight	Proposed Changes	2/17/15 Weight	Proposed Revisions
15	Assure proper Cause Codes can be verified from Event Analysis Reports issued by SPP RE Registered Entities	100%	5.0%	2.5%	The 150% performance contribution was eliminated from this metric. The success rate for 100% performance contribution was changed from 96% to 100% and the performance contribution for a 80% success rate was reduced from 80% to 50% to reflect past performance.	2.5%	No Change
16	Outreach Production Goals	100% & Scored of 3.6	5.0%	5.0%	No Change.	5.0%	No Change
17	Continuous Improvement Project Goals	N/A	0.0%	10.0%	New Metric.	12.5%	Increased the weighting by 2.5% to 12.5%.

Overall 2015 Goals and Metrics

- **Benefit Registered Entities by:**
 - Providing timely processing of audit results and enforcement actions
 - Helping them return to compliance as soon as possible
 - Encouraging most efficient/effective use of SPP RE's tools and resources
 - Focusing SPP RE staff on specific performance targets
- **Successfully meeting all goals should positively impact BES reliability and improve RE processes**



Questions or Comments?



Ron Ciesiel

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2015 Staff Goals and Metrics

1. Expedite mitigation of High Impact (HI) Violations

Objective: Encourage Registered Entities to mitigate HI violations as soon as possible.

The Compliance staff identifies HI violations based on the intersection of the Compliance staff’s risk determination¹ and the assigned Violation Risk Factor (“VRF”).

Risk Determination	VRF		
	Lower	Medium	High
Minimal			
Moderate			X
Severe	X	X	X

Enforcement shall fast track HI violations to ensure they are mitigated as soon as possible. To accomplish this metric, Enforcement will solicit the submission of an acceptable Mitigation Plan, issue a Notice of Alleged Violation or Proposed Penalty or Sanction (“NAVAPS”), or issue a remedial action directive within 100 days of receiving the possible violation from the Compliance staff.^{2,3}

Measure: Average number of days to MP Acceptance, issuance of a NAVAPS, or issuance of a Remedial Action Directive from receipt by Enforcement for all HI violations.

(As applicable, the date of MP acceptance, issuance of a remedial action directive, or issuance of the NAVAPS) – (the date the HI violation is sent to Enforcement) = days

Performance contribution	80%	100%	150%
Average number of days	115	100	70

Weight: 5.0%

Comments:

i. Consistent with the downward trend in new violations of the Reliability Standards, the number of HI Violations has decreased from 41 in 2013 to 4 in 2014. Accordingly, the weighting assigned this metric has been reduced from 10% to 5.0%.

ii. This metric is aligned with and supports “Goal 4 – Risks to Reliability” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]dentify the most significant risks to reliability, provide assurance for mitigating reliability risks” Additionally, the metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

¹ The initial risk determination will be made during the triage meeting between the Enforcement Staff and Compliance Staff.

² HI violations may be exempted from HI treatment with Sanction Review Team approval.

³ HI violations without an accepted mitigation plan, issuance of a remedial action directive, or issuance of a NAVAPS on 1/1/15 will be included in the 2015 metric.

2. Maintain caseload of no more than one year

Objective: Maintain 2015 violation processing capability and efficiency to achieve a one-year caseload by 1/1/16.

As of 12/31/14, the SPP RE caseload is 119 violations. To achieve the metric in 2015, SPP RE will send to NERC completed dispositions (i.e. Compliance Exceptions, Settlements, Notice of Confirmed Violations (“NOCV”), Find Fix & Track (“FFT”), Spreadsheet Notice of Penalty, or Dismissals⁴) equivalent to 100% of the 12/31/14, Enforcement caseload.

Measure: (Number of completed dispositions / (caseload on 12/31/14) = percent caseload completed

Performance contribution	80%	100%	120%
Percent completed	80%	100%	120%

Weight: 10 %

Comments:

i. This metric is aligned with and directly supports the caseload index target identified in NERC’s *Key Compliance Enforcement Metric* and included in its quarterly report to the NERC BOTCC.

3. Accept or reject Mitigation Plans within 30 days of submission/10 days of resubmission by the Registered Entity

Objective: To accept submitted Mitigation Plans (“MP”) in accordance with Compliance Management Enforcement Program (“CMEP”) requirements. “Unless the time period is extended by the Compliance Enforcement Authority, it will complete its review of the Mitigation Plan, and will issue a written statement accepting or rejecting the Mitigation Plan, within thirty (30) days of receipt The Compliance Enforcement Authority will notify the Registered Entity within ten (10) business days after receipt of a revised Mitigation Plan whether the Compliance Enforcement Authority will accept or reject the revised Mitigation Plan” CMEP Section 6.5.

Measure: (1) (number of MPs accepted or rejected in <= required number of days in a month) / (number of MPs submitted/resubmitted in the month) = percent MPs accepted/rejected <= required number of days each month

accept/rejected days = (“submitted on date” in webCDMS) – (“accepted by region on” or “date of email requesting resubmission” in webCDMS)

(2) average number of days to accept or reject mitigation plans

To be able to calculate the metric in January 2016, the metric applies to all MPs submitted/resubmitted between 12/1/14 and 11/30/15.

⁴ The number of dismissals shall include those dismissals not requiring NERC approval but approved by the SRT.

Contribution ⁵	\sum Months where 100% MPs accepted/rejected \leq required number of days/12 *100%	Enforcement must achieve a 100% success rate for acceptance/rejection \leq required number of days in 2015 before becoming eligible for a performance contribution above 100%.	150%
Goal	100% MPs accepted/rejected \leq required number of days / month		Average number of days to accept/reject = 15

Weight: 5.0 %

Comments: i. This metric was changed to include the requirement to accept/reject resubmitted MPs following a rejection within 10 business days of being resubmitted. The average number of days corresponding to an increased payout was reduced from 20 days to 15 days to reflect historical performance and the addition of the 10 day requirement for resubmitted MPs.

ii. This metric is aligned with CMEP requirements and directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

4. Complete Mitigation Plan completion reviews within 20 days of Registered Entity notification of completion

Objective: To complete the review of MP completions in accordance with SPP RE requirements.

Measure: Average MP completion review days

Days = (“certification received by region on” date in webCDMS) – (“mitigation verified on” date in webCDMS)

Performance Contribution	50%	100%	150%
Avg. days for review of MP completion	30	20	10

Weight: 5.0%

Comments: i. This metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

ii. Based on historical performance the average number of days associated with the Performance Contribution of 50%, 100% and 150% was reduced by 5 days to 30, 20 and 10 days respectively.

⁵ The 100% performance contribution is based on the number of months 100% of submitted/resubmitted MPs are accepted/rejected within the required number of days identified in the CMEP. For example if Enforcement accepts/rejects 100% of the MPs initially submitted within 30 days and accepts/rejects 100% of the resubmitted MPs within 10 days for 11 of 12 months then the performance contribution would equal $11/12 \times 100\%$ or 91.6%. The 150% performance contribution is determined on an annual basis and is not available unless Enforcement achieves 100% MPs accepted/rejected within the CMEP required number of days for all 12 months.

5. Process pre-2014 violations and send to NERC by 11/20/15.

Objective: To ensure older violations are processed in a timely manner.

Measure: (number of pre-2014 violation in the Enforcement caseload)⁶ / (number of pre-2014 violation processed by 11/20/15.⁷

The performance contribution cannot exceed 100%.

Performance contribution	50%	75%	100%
Percent sent to NERC	80%	90%	100%

Weight: 7.5 %

Comments: i. This metric is aligned with a metric NERC established for its Enforcement staff. NERC's goal is to ensure the timely processing of violations. SPP RE Enforcement is required to report to NERC monthly the status of violations older than the prior year. This metric adds an age component to the violations that SPP RE Enforcement must processed in 2015.

ii. This metric directly supports the timely processing of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

6. Complete incoming possible violation triage within 45 days of Compliance staff sending the possible violation to Enforcement

Objective: To improve the speed and efficiency of the Enforcement process, SPP RE will determine the proposed disposition method for incoming violations and inform the Registered Entity within 45 days of Compliance staff sending the violation to Enforcement, i.e., completion of the Preliminary Screen.

Measure: $\sum ((\text{date violation triage complete}^8 - \text{date the violation was sent to Enforcement})) / (\text{violations sent to Enforcement between 11/15/14 (if triage is not completed in 2014) and 11/15/15}) = \text{average days to complete violation triage}$

Performance Contribution	80%	100%	150%
Average triage completion	60	45	30

⁶ MRRE Pre-2014 violations where SPP RE is not the lead are not included in the metric.

⁷ Compliance Exceptions, FFT, Spreadsheet NOP, and Full NOP violations must be filed with NERC. For dismissals the Letter of Dismissal must be sent to NERC.

⁸ Violation triage is normally complete when the Notice of Possible Violation (NPV) is sent to the Registered Entity; a Letter of Dismissal is sent to NERC, a Notice of Initial Determination of Compliance Exception is sent to the Registered Entity, or initiation of discovery. In some cases, a formal triage meeting is unnecessary and an Enforcement email documenting its decision to forgo the meeting and a description of its basis, may be used as a substitute for a triage meeting

(days)

Weight: 5 %

Comments: i. The average triage completion days was reduced for all performance contributions by 15 days.

ii. This metric directly supports the timely processing of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC. Additionally, because the triage process is utilized to assess the risk of issues of noncompliance, this metric directly supports “Goal 4.a Risks to Reliability”, of the *ERO Enterprise Strategic Plan 2015-2018* wherein “[r]isks are identified and prioritized based on reliability impacts, cost and practicality of assessments, projected resources and emerging issues.”

7. Complete documentation close-out of all violations within 45 days of issuance of the Notice of Completion of Enforcement Action.⁹

Objective: To ensure Enforcement case records and webCDMS are complete and include all documentation necessary to support the processing of a violation or Compliance Exception.

Measure: Violation documentation close-out has successfully occurred when:

- (1) SPP RE File Clerk has synced a Notice of Completion of Enforcement Action (“NCEA”) to NERC, causing the violation status to shift to “closed” status within webCDMS.
- (2) Case Manager and MP Engineer review the Violation Case Record and the Case Record folder is complete.
- (3) Substantive and relevant violation documentation has been copied to the violation Enforcement Docket folder and the folder is complete.
- (4) Documents required for sync with NERC have been uploaded to webCDMS.
- (5) webCDMS data fields have been completed and verified as accurate.
- (6) SPP RE File Clerk verifies and signs a Certification of Case Record Close-Out and saves the certification to the Enforcement Docket folder.
- (7) EFT files are deleted from the EFT folder and copied to the appropriate TMP and Enforcement Docket folders.

Average number of days to completed violation documentation closed-out following issuance of the NCEA or transmittal of the Compliance Exception spreadsheet = (Total number of days to complete documentation close-out for all violations/Compliance Exceptions closed as of 11/15/15) / (Total number of violations closed as of 11/15/15)

There is no performance contribution greater than 100%.

⁹ A violation is closed when the NCEA is issued or the Compliance Exception spreadsheet is transmitted to NERC. For metric purposes, the closed violations subject to the metric will be derived from the NCEA’s issued between 11/15/14 and 11/15/15.

Performance contribution	80%	100%
Averaged close-out completion (days)	60	45

Weight: 5 %

Comments: i. This metric has been changed to include Compliance Exceptions and to require an average time for case file close-out rather than the performance of all close-out activities within 60 days. The performance goal has been changed from 60 days to 45 days to reflect Enforcement past performance and the use of an average value.

ii. This metric indirectly supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

8. Publish non-public off-site audit report to NERC in less than 45 days

Objective: To ensure non-public off-site audit reports are issued in a timely manner.

Measure: The number of calendar days is measured from the last day of the audit to submission of the non-public audit report to NERC.

Non-public off-site audit reports published in less than or equal to 45 days / non-public off-site audit reports published in 2015.

Performance contribution	80%	100%	120%
Average number of days			40*
Percent reports publish in <= 45 days	80%	100%	

* To achieve > 100% performance contribution base on an average days to publish <= 45 days the RE must publish 100% of the non-public off-site audit reports in <= 45 days.

Weight: 5%

Comments: i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent reports published in less than or equal to 45 days. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

iii. Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.

9. Publish non-public on-site audit report to NERC in less than 65 days

Objective: To ensure non-public on-site audit reports are issued in a timely manner.

Measure: The number of calendar days as measured from last day of the audit to submission of the non-public audit report to NERC.

Non-public on-site audit reports published in less than or equal to 65 days / non-public on-site audit reports published in 2015.

Performance contribution	80%	100%	120%
Average number of days			55*
Percent reports publish in <= 65 days	80%	100%	

* To achieve > 100% performance contribution base on the average days to publish <= 65 days the RE must publish 100% of the non-public on-site audit reports in <= 65 days.

Weight: 5%

Comments: i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent reports published in less than or equal to 65 days. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

iii. Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.

10. Review and issue determination for BES registration and deactivation requests

Objective: To ensure self-determined notifications, new registration, and deactivation requests submitted pursuant to the BES definition change are reviewed and issued in a timely manner.

Measure: Average number of business days from SPP RE’s receipt of completed forms, including one-lines and all requested supporting data, to notifying the Registered Entity of SPP RE’s registration/deactivation decision.

Performance contribution	80%	100%	120%
Average number of days	15	10	5

Weight: 5%

Comments: i. This metric directly addresses and improves upon the 50 calendar day review period proposed in revisions to the NERC Rules of Procedure 5A and approved by the NERC board for review of de-activation requests.

ii. This metric directly supports the “*ERO Enterprise Strategic Plan Goal 2a Registration*”, and exceeds the timelines in the *2015 ERO Enterprise Metrics*, sub-metric C related to proposed de-activation of IAs, PSEs, and some DPs.

11. Publish internally completed assessment of Self-Certification/ periodic data submittals

Objective: Complete and publish internal assessments of Self-Certification and periodic data submittals by the due dates established in the SPP RE reporting requirements schedule.

Measure: (number of assessments completed by the due date) / (total number of assessments for 2015) = percent completed on time

The performance contribution cannot exceed 100%.

Performance contribution	50%	80%	100%
Percent completed on time	80%	90%	100%

Weight: 5 %

Comments: i. The Performance Contribution associated with the 80% and 90% on time completion was reduced to 50% and 80% respectively to reflect a greater emphasis on completing 100% publication of internally completed assessments of self-certifications and periodic data submittals.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

12. Process incoming possible violations to NERC through webCDMS in 5 business days or less

Objective: To ensure possible violations are processed in webCDMS in a timely manner.

Measure: The number of business days to enter possible violations into webCDMS as measured from the date of the Registered Entity exit presentation (audit, spot-check, etc.), from the date the Registered

Entity self-reported or submitted a self-logging spreadsheet as applicable, to completion of the Preliminary Screen.

The number of incoming violations processed in less than or equal to 5 business days / number of incoming violations in 2015.

The performance contribution cannot exceed 100%.

Performance contribution	80%	100%
Percent violations processed in <= 5 business days	80%	100%

Weight: 5%

Comments: i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent incoming violations processed in less than or equal to 5 business days. The 120% performance contribution was eliminated.

ii. This metric is a CMEP requirement.¹⁰ Additionally, this metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

13. Control out-of-pocket expenses for on-site/off-site audits (contractor billings and travel)

Objective: Reduce out-of-pocket travel expense for on-site audits and contractor billings for on-site and off-site audits by improving efficiency and expanding the role Compliance staff plays in the production of audit reports.

2015 Budget:

CIP	\$300,000
O&P	\$275,000

Measure: [(2015 budget) - (2015 actual)] / [2015 budget] = percent increase/decrease

Performance contribution	50%	100%	150%
Percent difference	+10%	0%	-15%

Weight: 10 %

Comments: i. This metric tracks out-of-pocket expense for audits (it does not track internal man-hours or fixed overhead expense.) The total contractor billings and travel expense for

¹⁰ CMEP Section 3.8. “The Preliminary Screen shall be conducted within five (5) business days after the Compliance Enforcement Authority identifies the potential noncompliance”

audits are tracked and monitored. The 2014 actual expense was used as a starting point, and the 2015 budget was used as the basis. The travel expense was adjusted to reflect recent increases in airfare, and hotel prices.

ii. Based on budget to actual performance in 2014 the percent difference for a 150% performance contribution was increased from -10% to -15%. Similarly, the performance contribution associated with a +10% difference was reduced from 80% to 50%.

iii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

14. Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2014 – 3Q2015

Objective: Improve the operations success rate for transmission and generation protective relay systems (i.e. reduce the rate of misoperations) through various outreach mechanisms, i.e. System Protection and Control Working Group, compliance workshops, and webinars.

Measure: (total number of correct operations) / (total number of operations) = success rate

Performance contribution	80%	100%	150%
Success rate	88%	90%	92%

Weight: 2.5 %

Comments: i. SPP RE does not have direct control over the operations success rate of protection system relays. Nevertheless, SPP RE will continue to focus its outreach and assessment efforts to reduce misoperations within the SPP region.

ii. The success rate associated with the 80%, 100% and 150% performance contribution was increased from 84% to 88%, from 87% to 90% and from 90% to 92% respectively to reflect historical performance.

iii. This metric directly supports the *ERO Enterprise Metric 1: Reliability Results, Measure of Success 4. Protection System Misoperations*, which is aligned with the reduction of protection system misoperations.

15. Assure proper Cause Codes can be verified from Event Analysis Reports issued by SPP RE Registered Entities

Objective: To ensure regional events are tied to their causes as accurately as possible to support NERC’s continent-wide tracking and trending.

Measure: Regional success rate published in periodic NERC report.

The performance contribution cannot exceed 100%.

Performance contribution	50%	100%
Success rate	80%	100%

Weight: 2.5 %

Comments:

i. The 150% performance contribution was eliminated from this metric. The success rate for 100% performance contribution was changed from 96% to 100% and the performance contribution for an 80% success rate was reduced from 80% to 50% to reflect past performance.

ii. This metric is aligned with and supports the *ERO Enterprise Metric 1: Reliability Results* wherein a Measure of Success is having fewer, less severe events during 2015 - 2018.

16. Outreach Production Goals

Objective: Complete 3 workshops, 6 webinars, 12 newsletters

Measure: Percent completion: The number of workshop, webinars and newsletters completed in 2015 / (21), the number of workshops, webinars and newsletters planned in 2015.

An average outreach rating ≥ 3 for videos, webinars, workshops and newsletters is required for a performance contribution.

Performance contribution	80%	100%	150%
Percent completion	80% + ≥ 3 Rating	100% + ≥ 3 Rating	100% + ≥ 4 Rating

Weight: 5 %

Comments:

i. This metric indirectly supports the *ERO 2015 Enterprise and Corporate Metrics: Sub-metric A* (the quality of board-approved standards), *Sub-metric G* (implementation of RAI reforms), *Sub-metric H* (increased participation in security model assessments and ES-ISAC), and *Sub-metric K* (improving stakeholder satisfaction and perception).

17. Continuous Improvement Project Goals

Objective: Complete identified projects designed to improve SPP RE's performance of its compliance enforcement authority function and implementation of NERC directives.

(1) RAI Implementation - fully implement processes and procedures required for implementation of NERC's Risk Base Initiative.

- (2) Compliance Workbook – create a detailed how-to manual covering all Compliance/CDMS processes and procedures.
- (3) Enforcement Workbook – create a detailed how-to manual covering all Enforcement/CDMS processes and procedures.
- (4) Budget Workbook – develop a detailed how-to manual covering the SPP RE budget process.
- (5) Fully implement new MRRE process for SPP Registered Entities desiring MRRE treatment.
- (6) Develop internal controls to track and monitor CMEP activities.

Measure: The number of projects completed by 12/31/15.

Performance contribution	50%	100%
Projects Completed	4	6

Weight: 12.5 %

Comments:

- i. This is a new metric designed to give emphasis to continuous improvement of SPP RE CMEP processes and ensure timely implementation of recent NERC initiatives.
- ii. The SPP RE General Manager will assign project leads and team members. The teams will develop a detailed works scope and present that work scope to the Trustees for their approval before the end of the 1st quarter of 2015.
- iii. This metric directly supports two goals established in the *ERO Enterprise Strategic Plan 2015-2018*, “Goal 2b – Compliance, Registration, and Certification” wherein, one of the key deliverables is “[t]ransformation of the Reliability Assurance Initiative from concept to implementation” and Goal 5. “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

2015 Staff Goals and Metrics

1. Expedite mitigation of High Impact (HI) Violations

Objective: Encourage Registered Entities to mitigate HI violations as soon as possible.

The Compliance staff identifies HI violations based on the intersection of the Compliance staff’s risk determination¹ and the assigned Violation Risk Factor (“VRF”).

Risk Determination	VRF		
	Lower	Medium	High
Minimal			
Moderate			X
Severe	X	X	X

Enforcement shall fast track HI violations to ensure they are mitigated as soon as possible. To accomplish this metric, Enforcement will solicit the submission of an acceptable Mitigation Plan, issue a Notice of Alleged Violation or Proposed Penalty or Sanction (“NAVAPS”), or issue a remedial action directive within 100 days of receiving the possible violation from the Compliance staff.^{2,3}

Measure: Average number of days to MP Acceptance, issuance of a NAVAPS, or issuance of a Remedial Action Directive from receipt by Enforcement for all HI violations.

(As applicable, the date of MP acceptance, issuance of a remedial action directive, or issuance of the NAVAPS) – (the date the HI violation is sent to Enforcement) = days

Performance contribution	80%	100%	150%
Average number of days	115	100	70

Weight: 7.55.0%

Comments:

i. Consistent with the downward trend of new violations of the Reliability Standards, the number of HI Violations has decreased from 41 in 2013 to 4 in 2014. Accordingly, the weighting assigned this metric has been reduced from 10% to 7.55.0%.

ii. This metric is aligned with and supports “Goal 4 – Risks to Reliability” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]dentify the most significant risks to reliability, provide assurance for mitigating reliability risks” Additionally, the metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

¹ The initial risk determination will be made during the triage meeting between the Enforcement Staff and Compliance Staff.

² HI violations may be exempted from HI treatment with Sanction Review Team approval.

³ HI violations without an accepted mitigation plan, issuance of a remedial action directive, or issuance of a NAVAPS on 1/1/15 will be included in the 2015 metric.

2. Maintain caseload of no more than one year

Objective: Maintain 2015 violation processing capability and efficiency to achieve a one-year caseload by 1/1/16.

As of 12/31/14, the SPP RE caseload is 119. To achieve the metric in 2015, SPP RE will send to NERC completed dispositions (i.e. Compliance Exceptions, Settlements, Notice of Confirmed Violations (“NOCV”), Find Fix & Track (“FFT”), Spreadsheet Notice of Penalty, or Dismissals⁴) equivalent to 100% of the 12/31/14, Enforcement caseload.

Measure: (Number of completed dispositions / (caseload on 12/31/14) = percent caseload completed

Performance contribution	80%	100%	120%
Percent completed	80%	100%	120%

Weight: 10 %

Comments:

i. This metric is aligned with and directly supports the caseload index target identified in NERC’s *Key Compliance Enforcement Metric* and included in its quarterly report to the NERC BOTCC.

3. Accept or reject Mitigation Plans within 30 days of submission/10 days of resubmission by the Registered Entity

Objective: To accept submitted Mitigation Plans (“MP”) in accordance with Compliance Management Enforcement Program (“CMEP”) requirements. “Unless the time period is extended by the Compliance Enforcement Authority, it will complete its review of the Mitigation Plan, and will issue a written statement accepting or rejecting the Mitigation Plan, within thirty (30) days of receipt The Compliance Enforcement Authority will notify the Registered Entity within ten (10) business days after receipt of a revised Mitigation Plan whether the Compliance Enforcement Authority will accept or reject the revised Mitigation Plan” CMEP Section 6.5.

Measure: (1) (number of MPs accepted or rejected in <= required number of days in a month) / (number of MPs submitted/resubmitted in the month) = percent MPs accepted/rejected <= required number of days each month

accept/rejected days = (“submitted on date” in webCDMS) – (“accepted by region on” or “date of email requesting resubmission” in webCDMS)

(2) average number of days to accept or reject mitigation plans

To be able to calculate the metric in January 2016, the metric applies to all MPs submitted/resubmitted between 12/1/14 and 11/30/15.

⁴ The number of dismissals shall include those dismissals not requiring NERC approval but approved by the SRT.

Contribution ⁵	\sum Months where 100% MPs accepted/rejected \leq required number of days/12 *100%	Enforcement must achieve a 100% success rate for acceptance/rejection \leq required number of days in 2015 before becoming eligible for a performance contribution above 100%.	150%
Goal	100% MPs accepted/rejected \leq required number of days / month		Average number of days to accept/reject = 15

Weight: 5.0 %

Comments: i. This metric was changed to include the requirement to accept/reject resubmitted MPs following a rejection within 10 business days of being resubmitted. The average number of days corresponding to an increased payout was reduced from 20 days to 15 days to reflect historical performance and the addition of the 10 day requirement for resubmitted MPs.

ii. This metric is aligned with CMEP requirements and directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

4. Complete Mitigation Plan completion reviews within 25-20 days of Registered Entity notification of completion

Objective: To complete the review of MP completions in accordance with SPP RE requirements.

Measure: Average MP completion review days

Days = (“certification received by region on” date in webCDMS) – (“mitigation verified on” date in webCDMS)

Performance Contribution	50%	100%	150%
Avg. days for review of MP completion	<u>3530</u>	<u>2520</u>	<u>1510</u>

Weight: 5.0%

Comments: i. This metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

ii. Based on historical performance the average number of days associated with the Performance Contribution of 50%, 100% and 150% was reduced by 5 days to 30, 20 and 10 days respectively.

⁵ The 100% performance contribution is based on the number of months 100% of submitted/resubmitted MPs are accepted/rejected within the required number of days identified in the CMDP. For example if Enforcement accepts/rejects 100% of the MPs initially submitted within 30 days and accepts/rejects 100% of the resubmitted MPs within 10 days for 11 of 12 months then the performance contribution would equal $11/12 \times 100\%$ or 91.6%. The 150% performance contribution is determined on an annual basis and is not available unless Enforcement achieves 100% MPs accepted/rejected within the CMEP required number of days for all 12 months.

5. Process pre-2014 violations and send to NERC by 11/20/15.

Objective: To ensure older violations are processed in a timely manner.

Measure: (number of pre-2014 violation in the Enforcement caseload)⁶ / (number of pre-2014 violation processed by 11/20/15.⁷

The performance contribution cannot exceed 100%.

Performance contribution	50%	75%	100%
Percent sent to NERC	80%	90%	100%

Weight: 7.5 %

Comments: i. This metric is aligned with a metric NERC established for its Enforcement staff. NERC's goal is to ensure the timely processing of violations. SPP RE Enforcement is required to report to NERC monthly the status of violations older than the prior year. This metric adds an age component to the violations that SPP RE Enforcement must processed in 2015.

ii. This metric directly supports the timely processing of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

6. Complete incoming possible violation triage within 60-45 days of Compliance staff sending the possible violation to Enforcement

Objective: To improve the speed and efficiency of the Enforcement process, SPP RE will determine the proposed disposition method for incoming violations and inform the Registered Entity within 60 days of Compliance staff sending the violation to Enforcement, i.e., completion of the Preliminary Screen.

Measure: $\sum ((\text{date violation triage complete}^8 - \text{date the violation was sent to Enforcement})) / (\text{violations sent to Enforcement between 1/1/15 and 11/1/15}) = \text{average days to complete violation triage}$

Performance Contribution	80%	100%	150%
Average triage completion	7560	6045	4530

⁶ MRRE Pre-2014 violations where SPP RE is not the lead are not included in the metric.

⁷ Compliance Exceptions, FFT, Spreadsheet NOP, and Full NOP violations must be filed with NERC. For dismissals the Letter of Dismissal must be sent to NERC.

⁸ Violation triage is normally complete when the Notice of Possible Violation (NPV) is sent to the Registered Entity; a Letter of Dismissal is sent to NERC, a Notice of Initial Determination of Compliance Exception is sent to the Registered Entity, or initiation of discovery. In some cases, a formal triage meeting is unnecessary and an Enforcement email documenting its decision to forgo the meeting and a description of its basis, may be used as a substitute for a triage meeting

(days)

Weight: 5 %

Comments: i. [The average triage completion days was reduced for all performance contributions by 15 days.](#)

ii. [This metric directly supports the timely processing of all noncompliance, a Key Compliance Enforcement Metric identified by NERC and included in its quarterly report to the NERC BOTCC. Additionally, because the triage process is utilized to assess the risk of issues of noncompliance, this metric directly supports “Goal 4.a Risks to Reliability”, of the ERO Enterprise Strategic Plan 2015-2018 wherein “\[r\]isks are identified and prioritized based on reliability impacts, cost and practicality of assessments, projected resources and emerging issues.”](#)

7. Complete documentation close-out of all violations within 45 days of issuance of the Notice of Completion of Enforcement Action.⁹

Objective: To ensure Enforcement case records and webCDMS are complete and include all documentation necessary to support the processing of a violation or Compliance Exception.

Measure: Violation documentation close-out has successfully occurred when:

- (1) SPP RE File Clerk has synced a Notice of Completion of Enforcement Action (“NCEA”) to NERC, causing the violation status to shift to “closed” status within webCDMS.
- (2) Case Manager and MP Engineer review the Violation Case Record and the Case Record folder is complete.
- (3) Substantive and relevant violation documentation has been copied to the violation Enforcement Docket folder and the folder is complete.
- (4) Documents required for sync with NERC have been uploaded to webCDMS.
- (5) webCDMS data fields have been completed and verified as accurate.
- (6) SPP RE File Clerk verifies and signs a Certification of Case Record Close-Out and saves the certification to the Enforcement Docket folder.
- (7) EFT files are deleted from the EFT folder and copied to the appropriate TMP and Enforcement Docket folders.

Average number of days to completed violation documentation closed-out following issuance of the NCEA or transmittal of the Compliance Exception spreadsheet = (Total number of days to complete documentation close-out for all violations/Compliance Exceptions closed as of 11/1/15) / (Total number of violations closed as of 11/1/15)

[There is no performance contribution greater than 100%.](#)

Performance contribution

80% 100%

⁹ A violation is closed when the NCEA is issued or the Compliance Exception spreadsheet is transmitted to NERC. For metric purposes, the closed violations subject to the metric will be derived from the NCEA’s issued between 11/1/14 and 11/1/15.

Averaged close-out completion (days)	60	45
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Weight: 5 %

Comments: i. This metric has been changed to include Compliance Exceptions and to require an average time for case file close-out rather than the performance of all close-out activities within 60 days. The performance goal has been changed from 60 days to 45 days to reflect Enforcement past performance and the use of an average value.

ii. This metric indirectly supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

8. Publish non-public off-site audit report to NERC in less than 45 days

Objective: To ensure non-public off-site audit reports are issued in a timely manner.

Measure: ~~Average~~ The number of calendar days as-is measured from the last day of the audit to submission of the non-public audit report to NERC.

Non-public off-site audit reports published in less than or equal to 45 days / non-public off-site audit reports published in 2015.

Performance contribution	80%	100%	120%
Average number of days	50	45	40*
<u>Percent Reports publish in <= 45 days</u>	<u>80%</u>	<u>100%</u>	

* To achieve > 100% performance contribution base on an average days to publish <= 45 days the RE must publish 100% of the non-public off-site audit reports in <= 45 days.

Weight: 5%

Comments: i. The average number of days associated with ~~each the 80% and 100%~~ performance contribution was eliminated in favor of the percent reports published in less than or equal to 45 days. decreased by 5 days in recognition of historical Audit team performance. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

iii. [Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.](#)

9. **Publish non-public on-site audit report to NERC in less than 65 days**

Objective: To ensure non-public on-site audit reports are issued in a timely manner.

Measure: ~~Average~~The number of calendar days as measured from last day of the audit to submission of the non-public audit report to NERC.

[Non-public on-site audit reports published in less than or equal to 65 days / non-public on-site audit reports published in 2015.](#)

Performance contribution	80%	100%	120%
Average number of days	75	65	55*
<u>Percent Reports publish in <= 65 days</u>	<u>80%</u>	<u>100%</u>	

* To achieve > 100% performance contribution base on the average days to publish <= 65 days the RE must publish 100% of the non-public on-site audit reports in <= 65 days.

Weight: 5%

Comments: i. The average number of days associated with ~~each the 80% and 100%~~ performance contribution was [eliminated in favor of the percent reports published in less than or equal to 65 days](#)~~decreased by 5 days in recognition of historical Audit team performance.~~ [Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met.](#) The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

iii. [Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.](#)

10. **Review and issue determination for BES registration and deactivation requests**

Objective: To ensure self-determined notifications, new registration, and deactivation requests submitted pursuant to the BES definition change are reviewed and issued in a timely manner.

Measure: Average number of business days from SPP RE’s receipt of completed forms, including one-lines and all requested supporting data, to notifying the Registered Entity of SPP RE’s registration/deactivation decision.

Performance contribution	80%	100%	120%
Average number of days	15	10	5

Weight: 5%

Comments: i. This metric directly addresses and improves upon the 50 calendar day review period proposed in revisions to the NERC Rules of Procedure 5A and approved by the NERC board for review of de-activation requests.

ii. This metric directly supports the “*ERO Enterprise Strategic Plan Goal 2a Registration*”, and exceeds the timelines in the *2015 ERO Enterprise Metrics*, sub-metric C related to proposed de-activation of IAs, PSEs, and some DPs.

11. Publish internally completed assessment of Self-Certification/ periodic data submittals

Objective: Complete and publish internal assessments of Self-Certification and periodic data submittals by the due dates established in the SPP RE reporting requirements schedule.

Measure: (number of assessments completed by the due date) / (total number of assessments for 2015) = percent completed on time

[The performance contribution cannot exceed 100%.](#)

Performance contribution	50%	80%	100%
Percent completed on time	80%	90%	100%

Weight: 5 %

Comments: i. The Performance Contribution associated with the 80% and 90% on time completion was reduced to 50% and 80% respectively to reflect a greater emphasis on completing 100% publication of internally completed assessments of self-certifications and periodic data submittals.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

12. Process incoming possible violations to NERC through webCDMS in 5 business days or less

Objective: To ensure possible violations are processed in webCDMS in a timely manner.

Measure: ~~Average~~[The](#) number of business days to enter possible violations into webCDMS as measured from the date of the Registered Entity exit presentation (audit, spot-check, etc.), ~~or~~ from the date

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the Registered Entity self-reported, or submitted a self-logging spreadsheet as applicable, to completion of the Preliminary Screen.

The number of incoming violations processed in less than or equal to 5 business days / number of incoming violations in 2015.

The performance contribution cannot exceed 100%.

Performance contribution	80%	100%	120%
<u>Percent violations processed in less than or equal to 5 business days</u>	<u>780%</u>	<u>5100%</u>	<u>3</u>

Weight: 5%

Comments: i.-The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent incoming violations processed in less than or equal to 5 business days. The 120% performance contribution was eliminated.

ii. This metric is a CMEP requirement.¹⁰ Additionally, this metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results”

13. Control out-of-pocket expenses for on-site/off-site audits (contractor billings and travel)

Objective: Reduce out-of-pocket travel expense for on-site audits and contractor billings for on-site and off-site audits by improving efficiency and expanding the role Compliance staff plays in the production of audit reports.

2015 Budget:

CIP \$300,000
O&P \$275,000

Measure: [(2015 budget) - (2015 actual)] / [2015 budget] = percent increase/decrease

Performance contribution	50%	100%	150%
Percent difference	+10%	0%	-15%

Weight: 10 %

¹⁰ CMEP Section 3.8. “The Preliminary Screen shall be conducted within five (5) business days after the Compliance Enforcement Authority identifies the potential noncompliance”

- Comments:**
- i. This metric tracks out-of-pocket expense for audits (it does not track internal man-hours or fixed overhead expense.) The total contractor billings and travel expense for audits is tracked and monitored. The 2014 actual expense was used as a starting point, and the 2015 budget was used as the basis. The travel expense was adjusted to reflect recent increases in airfare, and hotel prices.
 - ii. Based on budget to actual performance in 2014 the percent difference for a 150% performance contribution was increased from -10% to -15%. Similarly, the performance contribution associated with a +10% difference was reduced from 80% to 50%.
 - iii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

14. Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2014 – 3Q2015

Objective: Improve the operations success rate for transmission and generation protective relay systems (i.e. reduce the rate of misoperations) through various outreach mechanisms, i.e. System Protection and Control Working Group, compliance workshops, and webinars.

Measure: (total number of correct operations) / (total number of operations) = success rate

Performance contribution	80%	100%	150%
Success rate	88%	90%	92%

Weight: 2.5 %

- Comments:**
- i. SPP RE does not have direct control over the operations success rate of protection system relays. Nevertheless, SPP RE will continue to focus its outreach and assessment efforts to reduce misoperations within the SPP region.
 - ii. The success rate associated with the 80%, 100% and 150% performance contribution was increased from 84% to 88%, from 87% to 90% and from 90% to 92% respectively to reflect historical performance.
 - iii. This metric directly supports the *ERO Enterprise Metric 1: Reliability Results, Measure of Success 4. Protection System Misoperations*, which is aligned with the reduction of protection system misoperations.

15. Assure proper Cause Codes can be verified from Event Analysis Reports issued by SPP RE Registered Entities

Objective: To ensure regional events are tied to their causes as accurately as possible to support NERC’s continent-wide tracking and trending.

Measure: Regional success rate published in periodic NERC report.

[The performance contribution cannot exceed 100%.](#)

Performance contribution	50%	100%
Success rate	80%	100%

Weight: 2.5 %

Comments:

i. The 150% performance contribution was eliminated from this metric. The success rate for 100% performance contribution was changed from 96% to 100% and the performance contribution for an 80% success rate was reduced from 80% to 50% to reflect past performance.

ii. This metric is aligned with and supports the *ERO Enterprise Metric 1: Reliability Results* wherein a Measure of Success is having fewer, less severe events during 2015 - 2018.

16. Outreach Production Goals

Objective: Complete 3 workshops, 6 webinars, 12 newsletters

Measure: Percent completion: The number of workshop, webinars and newsletters completed in 2015 / (21), the number of workshops, webinars and newsletters planned in 2015.

An average outreach rating ≥ 3 for videos, webinars, workshops and newsletters is required for a performance contribution.

Performance contribution	80%	100%	150%
Percent completion	80% + ≥ 3 Rating	100% + ≥ 3 Rating	100% + ≥ 4 Rating

Weight: 5 %

Comments:

i. This metric indirectly supports the *ERO 2015 Enterprise and Corporate Metrics: Sub-metric A* (the quality of board-approved standards), *Sub-metric G* (implementation of RAI reforms), *Sub-metric H* (increased participation in security model assessments and ES-ISAC), and *Sub-metric K* (improving stakeholder satisfaction and perception).

17. Continuous Improvement Project Goals

Objective: Complete identified projects designed to improve SPP RE's performance of its compliance enforcement authority function and implementation of NERC directives.

- (1) RAI Implementation - fully implement processes and procedures required for implementation of NERC's Risk Base Initiative.
- (2) Compliance Workbook – create a detailed how-to manual covering all Compliance/CDMS processes and procedures.
- (3) Enforcement Workbook – create a detailed how-to manual covering all Enforcement/CDMS processes and procedures.
- (4) Budget Workbook – develop a detailed how-to manual covering the SPP RE budget process.
- (5) Fully implement new MRRE process for SPP Registered Entities desiring MRRE treatment.
- (6) Develop internal controls to track and monitor CMEP activities.

Measure: The number of projects completed by 12/31/15.

Performance contribution	50%	100%
Projects Completed	4	6

Weight: ~~10~~ 12.5 %

Comments:

- i. This is a new metric designed to give emphasis to continuous improvement of SPP RE CMEP processes and ensure timely implementation of recent NERC initiatives.
- ii. The SPP RE General Manager will assign project leads and team members. The teams will develop a detailed works scope and present that work scope to the Trustees for their approval before the end of the 1st quarter of 2015.
- iii. This metric directly supports two goals established in the *ERO Enterprise Strategic Plan 2015-2018*, “Goal 2b – Compliance, Registration, and Certification” wherein, one of the key deliverables is “[t]ransformation of the Reliability Assurance Initiative from concept to implementation” and Goal 5. “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

Enforcement Update

February 17, 2015

Joe Gertsch
Manager of Enforcement
jgertsch.re@spp.org
501-688-1672



SPP RE Enforcement Activities January 31, 2015	2007	2008	2009	2010	2011	2012	2013	2014	January	Total 2015
Notice of Preliminary Screen Issued	-	-	-	-	-	-	-	121	2	2
Notice of Possible Violations Issued	6	56	132	254	239	173	189	107	0	0
Notice of Alleged Violation (NAVAPS)										
NAVAPS Issued	6	45	10	7	0	2	1	6	0	0
Notice of Confirmed Violation (NOCV)										
NOCV Sent to Entity/NERC	0	8	25	15	4	1	0	1	0	0
NOCV BOTCC Approved	0	7	11	29	4	1	0	1	0	0
Settlements / Full Notice of Penalty										
To NERC for Approval	0	0	0	89	118	52	5	15	0	0
BOTCC Approved	0	0	0	50	81	103	14	30	0	0
Settlements / Spreadsheet NOP										
To NERC for Approval	0	0	0	16	22	49	43	59	0	0
BOTCC Approved	0	0	0	0	38	49	65	46	0	0
Find, Fix, Track										
To NERC for Approval	-	-	-	-	43	78	86	62	0	0
BOTCC Approval	-	-	-	-	36	74	95	61	0	0
Compliance Exception	-	-	-	-	-	-	-	1		0
Dismissals										
To NERC/SPP RE SRT for Approval	0	0	1	16	75	43	41	44	0	0
NERC/SPP RE SRT Approved		0	1	16	75	43	41	44	0	0
Notice of Penalty										
Approved by FERC	0	5	13	57	180	184	141	118	0	0
Violations Awaiting BOTCC Approval									17	
Active Violations - Caseload									121	
Caseload Index (months)*									8.2	

* Based on previous 12 months processing (178)

January Mitigation Plan Summary

- Mitigation Plan Status (month/year)**

Submitted	11
Accepted	8
Certified Complete	8
Completion Verified	6

- Open Violations with no Mitigation Plans**

Initiated	75
Submitted	<u>6</u>
Total	81



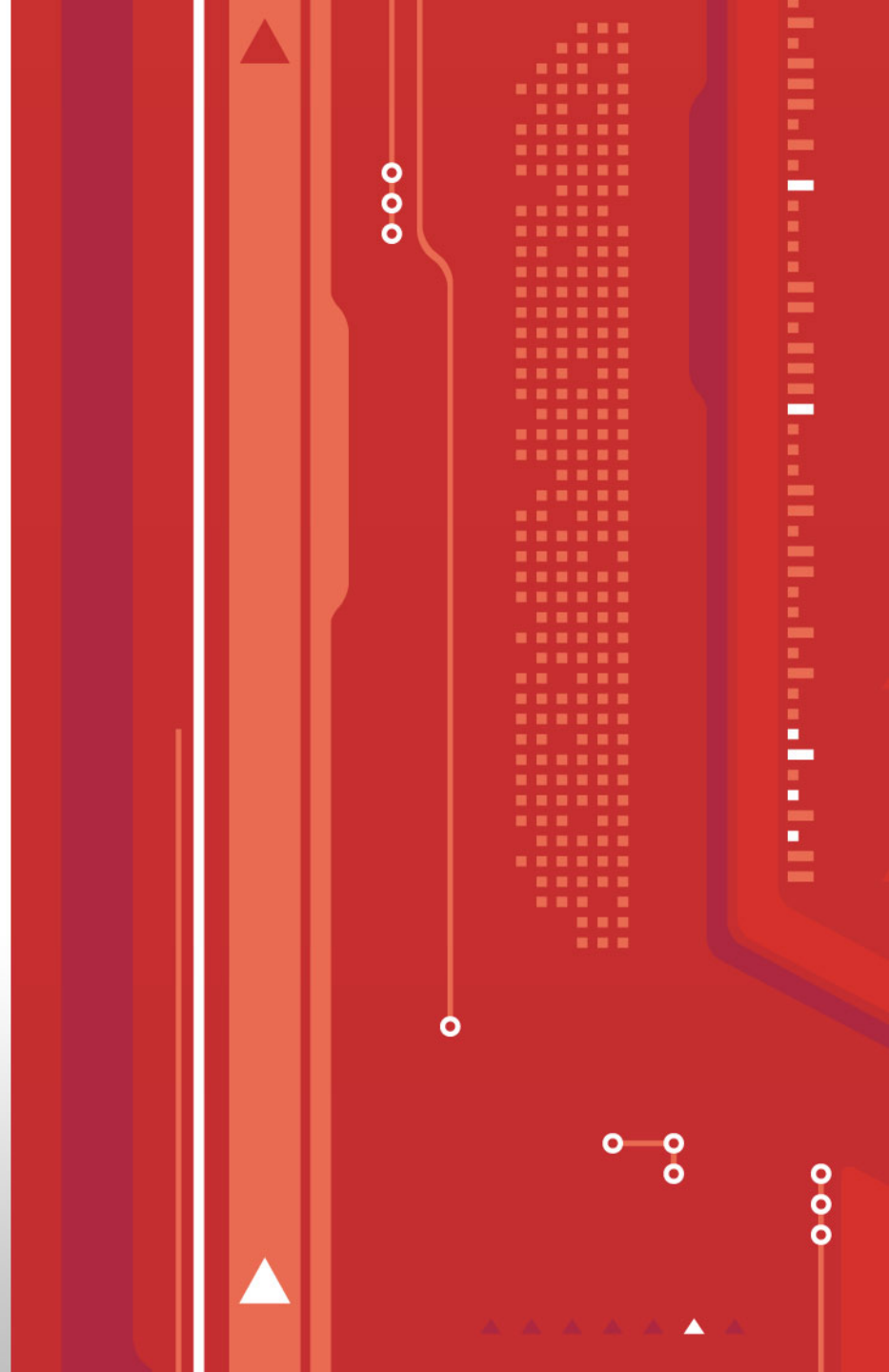
SPP *Southwest
Power Pool
Regional Entity*

Joe Gertsch
Manager of Enforcement
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501-688-1672

SPP RE General Manager's Report to the SPP RE Trustees

February 17, 2015

Ron Ciesiel
SPP RE General Manager



Most Violated Standards

Based on rolling 12 months through 1/31/15 [Represents ~ 88% of total violations]

SPP RE Rank	NERC 12 Month Rank *	Standard	Description	Number of Violations	Risk Factor
1	1	CIP-007	Systems Security Management	28	Med./Lower
2	3	CIP-005	Electronic Security Perimeters	15	Med./Lower
3	2	CIP-006	Physical Security - Critical Cyber Assets	13	Med./Lower
4	6	CIP-003	Security Management Controls	12	Med./Lower
5	10	FAC-008	Facility Ratings (includes FAC-009)	11	Med./Lower
6	7	CIP-002	Critical Cyber Asset Identification	8	High/Lower
7	4	CIP-004	Personnel & Training	8	Med./Lower
8	8	VAR-002	Network Voltage Schedules	6	Med./Lower
9	5	PRC-005	Protection System Maintenance	4	High/Lower
10	**	TOP-002	Normal Operations Planning	2	Med./Lower

* NERC as of June 30, 2014

** Not in NERC Rolling 12 month Top Ten

SOUTHWEST POWER POOL REGIONAL ENTITY
STATEMENT OF ACTIVITIES
2015 JANUARY YTD DRAFT (UNAUDITED)

<i>(In Whole Dollars)</i>	2015 JAN YTD ACTUAL	2015 JAN YTD BUDGET	VARIANCE	2015 FULL YEAR PROJECTION	2015 FULL YEAR BUDGET	VARIANCE
Funding						
ERO Funding	806,721	806,720.67	-	9,680,648	9,680,648	-
Penalty Sanctions	38,708	38,708.33	-	464,500	464,500	-
Total SPP RE Funding	845,429	845,429	-	10,145,148	10,145,148	-
Testing Fees	-	-	-	-	-	-
Workshops	-	-	-	-	-	-
Interest	232	-	232	232	-	232
Miscellaneous	-	-	-	-	-	-
Total Funding (A)	845,661	845,429	232	10,145,380	10,145,148	232
Expenses						
Personnel Expenses						
Salaries	277,504	324,174	(46,670)	3,890,082	3,890,082	-
Payroll Taxes	18,168	24,799	(6,632)	297,591	297,591	-
Benefits	22,293	28,908	(6,615)	346,900	346,900	-
Retirement Costs	10,880	12,967	(2,087)	155,603	155,603	-
Total Personnel Expenses	328,844	390,848	(62,004)	4,690,177	4,690,177	-
Meeting Expenses						
Meetings	4,320	7,208.33	(2,888)	86,500	86,500	-
Travel	24,268	50,250	(25,982)	603,000	603,000	-
Conference Calls	-	-	-	-	-	-
Total Meeting Expenses	28,588	57,458	(28,870)	689,500	689,500	-
Operating Expenses						
Contracts & Consultants	-	114,217	(114,217)	1,370,600	1,370,600	-
Office Rent	-	-	-	-	-	-
Office Costs	1,207	667	540	8,000	8,000	-
Administrative Costs	-	-	-	-	-	-
Professional Services	-	39,804	(39,804)	477,645	477,645	-
Computer Purchase & Maint.	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Miscellaneous/ Contingency	-	-	-	-	-	-
Total Operating Expenses	1,207	154,687	(153,480)	1,856,245	1,856,245	-
Total Direct Expenses	358,638	602,993	(244,355)	7,235,922	7,235,922	-
SPP Inc. Indirect Expenses	330,794	381,016	(50,222)	4,572,188	4,572,188	-
SPP RE Indirect Expenses	-	-	-	-	-	-
Total Indirect Costs	330,794	381,016	(50,222)	4,572,188	4,572,188	-
Total Expenses (B)	689,432	984,009	(294,577)	11,808,110	11,808,110	-
Net Change in Assets (A-B)	156,229	(138,580)	294,809	(1,662,730)	(1,662,962)	232
Fixed Assets						
Depreciation	-	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-	-
Equipment CapEx	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-
Increase/(Decrease) in Fixed Assets (C)	-	-	-	-	-	-
Total Budget (Expenses plus Incr (Dec) in Fixed Assets (B+C))	689,432	984,009	(294,577)	11,808,110	11,808,110	-
Change in Working Capital (Total Funding less Total Budget) (A-B-C)	156,229	(138,580)	294,809	(1,662,730)	(1,662,962)	232
FTEs*	27.9	32.8	(5)	32.8	32.8	-
Beginning WC - 01/01/2015	3,571,778	1,662,962	1,908,816	1,662,962	1,662,962	-
Change to WC - 2015 YTD	156,229	(138,580)	294,809	(1,662,730)	(1,662,962)	232
Working Capital as of 1/31/15	3,728,007	1,524,382	2,203,625	232	-	232

*Headcount (RE direct staff count as of 1/31/2015 and shared staff YTD billed hours/1880).

Outreach Update

February 17, 2015

Emily Pennel
Outreach Coordinator and SPP RE
Trustees Secretary



2015 Outreach

- **SPP RE staff have visited Empire, Westar, and KCP&L for CIP outreach**
 - **Westar visit included five other Registered Entities**
 - **Five more CIP outreach visits have been scheduled**
 - **CIP workshop /forum agenda planning is underway**
- **Over 140 stakeholders registered for March 10-11 workshop in Little Rock**