SPP RE 2015 Year-End Report

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Executive Summary

In 2015, SPP RE staff achieved a high level of success when measured by our goals and metrics; staff’s weighted total metrics achievement was 114.7%. Other accomplishments include:

- Improved pre-audit evidence reviews, resulting in decreased audit times and team sizes
- Continued downward trend in violations
- Developed “how to” guides for compliance and enforcement processes
- Developed internal controls for compliance and enforcement requirements
- Processed registration changes due to the revised Bulk Electric System Definition and FERC Orders related to Load-Serving Entities, Purchasing-Selling Entities, and Distribution Providers
- Received positive feedback from NERC and FERC observers of SPP RE audits
- Received favorable ratings on the annual stakeholder survey
- Continued engagement with NERC’s Events Analysis and Facility Ratings Alert programs
- Published three Regional Reliability Assessments
- Increased attendance at outreach activities

Numbers at a Glance
Compliance Monitoring

**Performed 21 audits; Issued 20 audit reports; Completed 25 Inherent Risk Assessments**

In 2015, SPP RE conducted nine Operations & Planning (O&P) off-site audits and published nine off-site audit reports. Audit teams held six O&P and six CIP on-site audits and published 11 on-site audit reports. One O&P report will be completed by another Regional Entity in 2016.

In 2015, the average time to issue on-site audit reports was 44 days, compared to our goal of 65 days. No reports exceeded the 65-day goal, including audit reports prepared by another Regional Entity. The average time to issue off-site audit reports was 36 days, compared to our goal of 45 days; no reports exceeded the 45-day goal.

Inherent Risk Assessments (IRA) identify the areas of focus and the level of effort needed to monitor compliance with enforceable NERC Reliability Standards. IRAs are used to develop monitoring frequency, scope, and monitoring method. We completed 25 IRAs for the 113 Registered Entities in the SPP RE footprint. Three Registered Entities were scheduled for off-site O&P audits in 2015. Following the completion of these Registered Entities’ IRAs, two were monitored as Spot-Checks and one as a Self-Certification.

The SPP RE CIP team conducted multiple CIP Version 5 outreach sessions as part of the CIP Version 5 Transition Plan. Two of the outreach sessions were comprehensive readiness reviews for the subject Registered Entity. The remaining sessions consisted of a host company sponsoring a multi-company training and Q&A session with as many as seven Registered Entities participating, including one from outside of SPP RE. Each session was multi-day, and the agendas were driven by the participating stakeholders.

We had two requests for Internal Control Evaluations that will be conducted in 2016.

SPP RE is the Lead Regional Entity (LRE) for three Registered Entities that have opted-in to the Coordinated Oversight for Multi-Region Registered Entity (MRRE) program. SPP RE is the Affected Regional Entity (ARE) for ten Registered Entities led by other Regional Entities.

**Improved Audit Processes**

The O&P and CIP audit teams continued to implement several process and performance improvements in 2015. Compliance staff implemented use of the NERC Auditor Handbook and associated checklist to verify consistency of audit documentation and work papers.

The average time to publish audit reports remained consistent with 2014. The O&P team continued to enhance their pre-audit evidence reviews. These reviews allow the team to work more efficiently and effectively once the official audit period begins, and allow them to make assessments on some standards without further action during the audit. Based on the results of the pre-audit review, the audit team leaders were able to reduce the amount of time spent on-site from approximately 3.5 days to 2.5 days, and in some cases to reduce the size of the on-site audit team.
Southwest Power Pool Regional Entity

The CIP audit team continued its comprehensive, multi-week, pre-audit evidence review for on-site audits. Pre-audit activities include collection and review of randomly sampled evidence and a review of follow-up evidence requests stemming from the first evidence review. The first round of CIP compliance audits for Balancing Authority/Transmission Operator-Registered Entities was completed in 2013, with an expectation that having been through the process once already, Registered Entities and their evidence would improve for subsequent audits. The audit team has not seen a significant reduction in questions and possible findings requiring follow-up during the on-site audit; therefore, they have not been able to take advantage of the pre-audit reviews to eliminate a meaningful number of on-site requirements.

The CIP team transitioned to a new pre-audit review process at the end of 2015 that greatly increased the audited Registered Entity’s involvement. In addition to generating follow-up evidence requests, the CIP team submitted questions and scheduled daily conference calls with the Registered Entity’s subject matter experts. As a result, the CIP team was able to reduce the on-site work from two weeks to four days for the trial audit. The audit team will continue this practice into 2016.

While the success of the new process relies heavily on the audited Registered Entity’s willingness and preparedness to participate during the multi-week pre-audit review, the CIP team anticipates an overall reduction in on-site days in 2016. This gain may be offset somewhat by the expanded scope of 2016 audits. CIP Version 5 becomes enforceable April 1 and brings generation and substations into the CIP standards’ scope; this is the first time some Registered Entities will be subject to CIP standards. The unknown at this time is how a need for on-site inspections of generating plants and substations will impact the overall schedule. The CIP team will continue to evaluate process improvements in 2016 as we gain experience auditing the CIP Version 5 standards.

The CIP and O&P teams continued to emphasize outreach during the audit field work, as permitted by the GAO Generally Accepted Government Auditing Standards. Outreach efforts were coordinated with the audited Registered Entity’s Primary Compliance Contact throughout the audit, starting with the 90-day audit notice, to ensure the level of outreach was acceptable to and met the Registered Entity’s expectations.

The O&P audit team outreach focused on reducing misoperations due to communication failures, discussing upcoming enforceable standards, explaining the new Risk-Based Compliance Monitoring and Enforcement processes, and suggesting internal control activities for specific requirements. CIP outreach focused primarily on the transition to the CIP Version 5 standards, with emphasis on requirements applicable to High and Medium Impact BES Cyber Systems. The outreach conducted during the CIP audit field work is in addition to the extensive outreach engagements previously mentioned.

Many of the SPP RE compliance staff are members of or observers to various NERC and SPP working groups and task forces. Two staff are actively involved with the development of the new Reliability Standard Audit Worksheet (RSAW) template, new and revised O&P RSAWs, and the CIP Version 5 RSAWs. One team member continued as an active member of the ongoing Handbook Task Force. Two staff participated in the IRA Base Case Study with all eight Regional Entities and NERC to develop a consistent approach to developing Registered Entities’ IRAs.

One SPP RE Registered Entity participated in the NERC CIP Version 5 Transition Study (one of six participants) and continues as an active participant in the CIP Version 5 Transition Advisory Group.
A member of the CIP team is the project coordinator/primary contact for the Registered Entity and represents SPP RE on the Transition Advisory Group. Experiences and lessons learned from the transition study have been used to develop Registered Entity and staff guidance and training, identify additional required modifications to the CIP standards, and influence development of SPP RE’s Risk-Based Compliance Monitoring and Enforcement program.

We enhanced audit staff training through several mechanisms. In conjunction with NERC and the other REs, audit staff and SPP RE contractors participated in a NERC-sponsored auditor workshop. The CIP audit team participated in the 2015 NERC Grid Security Conference as well as NERC-sponsored auditor training for the new CIP Version 5 standards. Several staff attended a NERC-led performance auditing training workshop, several CIP and O&P auditors are enrolled in training that will result in Certified Internal Auditor certifications, and one CIP auditor is pursuing a Physical Security Professional certification.

FERC observers attended one O&P and one CIP audit in 2015. While there is always room for improvement, the general tone of the feedback sessions from observers was very positive.

**Managed TFE Caseload**

The Technical Feasibility Exception (TFE) Program related to CIP standards completed its sixth year in 2015. We have processed 961 new or amended TFE requests since the program’s inception, including 151 new or amended TFEs submitted in 2015. Staff approved 125 TFEs, disapproved four, and terminated 33. Nine TFEs submitted at year-end are pending review for approval. The active TFE caseload at the end of 2015 was 208, a decrease of 27 over 2014.

WebCDMS was modified to allow Registered Entities to submit CIP Version 5 TFEs starting October 1, 2015. Only TFEs for new CIP V5 applicable requirements need to be submitted prior to the Version 5 effective date. CIP Version 3 TFEs for which there is an equivalent Version 5 requirement will be automatically updated coincident with the CIP V5 standards becoming effective. Any TFE for a Version 3 requirement for which there is no Version 5 equivalent requirement will be automatically terminated.

**Processed 21 Bulk Power System Events**

In 2015, SPP RE’s Event Analysis staff engaged with the national NERC Event Analysis program and handled 21 reportable events, including 10 events that qualified for a category of one or higher. This is fewer events than we had in 2014. NERC published a Lesson Learned from the SPP RE region, *Human Error Leads to Evacuation of Primary Control Room*.

In July 2015, SPP RE Event Analysis staff responded to a FERC inquiry regarding *Docket No. AD11-9-000 - Follow-up Actions in Response to the Joint FERC-NERC Staff Report on the 2011 Southwest Cold Weather Event and 2014 Polar Vortex and 2014 Winter Storm Events*. FERC sent a data request to four Regional Entities related to reasons for unit outages, actions taken by the Regional Entity to resolve specific generator issues, policy and procedural changes made by the Registered Entities, and outreach activities. FERC asked for information on two periods of extremely cold weather: Jan. 7-9, 2015 and Feb. 15-20, 2015.

SPP RE reported that twelve units were involved in cold weather outages during Jan. 7-9, and 15 units and one wind farm were involved in cold weather outages during Feb. 15-20. The median
hourly outage for Jan. 7-9 was 918 MW and for Feb 15-20 was 723 MW. During Jan. 7-9, the largest hourly outage was 1,701 MW for two hours. The largest hourly outage for Feb. 15-20 was 1,527 MW for two hours. Two units that were involved in the 2014 Polar Vortex experienced cold weather-related outages in 2015.

Managed Entity Registrations and BES Revisions
In 2015, SPP RE added 13 new Registered Entities and de-activated 44 Registered Entities. The de-activations were primarily related to the NERC risk-based registration implementation as follows:

- On October 10, 2015, FERC approved the removal of Load-Serving Entity as a functional registration, resulting in the removal of four Registered Entities and a reduction in the number of registered functions for 46 other Registered Entities.
- On March 19, 2015, FERC approved the removal of Purchasing-Selling Entity as a functional registration, resulting in the removal of 39 Registered Entities and a reduction in the number of registered functions for 27 other Registered Entities.
- On March 19, 2015, FERC approved raising the threshold for Distribution Provider (DP) from 25 MW to 75 MW, resulting in the removal of four Registered Entities, the re-classification of two Registered Entities as “DP Under-Frequency Load Shed only”, and a reduction in the number of registered functions for two other Registered Entities.

SPP RE currently has 113 Registered Entities.

In 2015, SPP RE processed 28 registration/deactivation requests pursuant to the BES definition change. The average processing time was 4.6 days. This activity is a Performance Metric.

Participated in Facility Ratings Alert Program
NERC launched a Facility Ratings alert program at the end of 2010, with a goal of having all BES lines checked for clearances and ratings by the end of 2013 and remediation of discrepancies complete by the end of 2014. The SPP RE Events Analysis group is coordinating this activity for the SPP RE footprint.

All lines under the Facilities Ratings Alert in the SPP RE region have been assessed. All high priority line discrepancies have been mitigated, 79% of the medium priority line discrepancies have been mitigated, and 88% of the low priority lines have been mitigated. Eight companies have asked for and been granted extensions due to LIDAR contractor availability, outage scheduling conflicts, and retaining resources. Two of the companies that asked for an extension have completed mitigation of their line discrepancies as of December 31, 2015.

Published Three Reliability Assessments
SPP RE is responsible for developing annual winter, summer, and long-term reliability assessments. These summer and winter assessments provide a high-level overview of seasonal reliability, including demand growth, capacity adequacy, and operational reliability. The 2015 winter and summer assessments found reserve margins to be adequate for the respective seasons.
The long-term reliability assessment is a 10-year, qualitative outlook on the SPP RE region’s reliability. The 2015 report found that reserve margins for the SPP RTO footprint are expected to fall below the 13.6% reserve margin requirement by the year 2024. SPP formed a Capacity Margin Task Force (CMTF) to improve the SPP Capacity Margin construct to meet member’s expectations while maintaining reliability.

The SPP Assessment Area’s Strategic Planning Committee directed SPP staff to proceed with a Clean Power Plan assessment to identify impacts on existing and planned resources, identify at-risk generation, and evaluate resource-planning measures to ensure compliance with carbon emission goals in SPP’s region.

The High-Priority Incremental Load Study showed that the SPP Assessment Area is experiencing an increase in oil and gas drilling, causing substantial load growth in northern Oklahoma, southwestern Kansas, Texas, and New Mexico. This localized growth has created the need for new transmission projects and generation in specific areas. SPP also continues to have an influx of variable generation resources, leading to operational challenges.

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### Enforcement

**Processed 132 violations; Received 89**

The downward trend in new violations continued in 2015, with the identification of only 89 new violations of NERC Reliability Standards in the SPP RE region. Of the 89 incoming violations, 62 or 69% were self-identified (Self-Reports, Self-Logging or Self-Certifications) submitted by the Registered Entity. This represents a significant increase from prior years (56.3%), but remains slightly below the threshold (70%) and target (75%) for self-identified non-compliance established in NERC’s Compliance Monitoring and Enforcement Oversight Plan. CIP violations (65) continue to represent the overwhelming majority of new violations, outnumbering O&P violations by more than two to one.

The SPP RE Enforcement group completed processing of 132 violations in 2015. Notwithstanding the loss of an Enforcement Attorney mid-year, SPP RE Enforcement was able to exceed its violation processing goal of 121 for 2015, achieving an average caseload index of 6.3 months for the year.

Following FERC’s February 19, 2015, Order approving NERC’s Reliability Assurance Initiative filing, SPP RE Enforcement fully deployed the Compliance Exception method for processing minimal risk violations. As a result, the number of violations processed via the Find, Fix, Track and Report (FFTR) disposition method dropped from 62 in 2014 to 13 in 2015. Compliance Exceptions increased from one in 2014 to 69 in 2015. An increase in the number of violations processed utilizing the Full Notice of Penalty process (28) occurred in 2015, primarily due to the processing of multi-region violations. Fourteen of 18 multi-region violations processed in 2015 were processed with the Full Notice of Penalty process. The remaining 22 violations processed in 2015 were either dismissed (14) or processed utilizing the Spreadsheet Notice of Penalty process (8).

Following NERC’s implementation of a structured Multi-Region Registered Entity (MRRE) process and the identification of Lead Regional Entities (LRE), SPP RE Enforcement transferred 31 MRRE violations to the newly designated LREs. Sixteen of the transferred MRRE violations remained open...
at the end of 2015. Seventeen new MRRE violations were identified in 2015 and added to the remaining 2015 MRRE caseload, causing SPP RE’s MRRE caseload to increase to 37 at the end of 2015. SPP RE Enforcement is the LRE for 18 of these violations.

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 82, from 119 in 2014. The number of violations older than one year (37) is down slightly from 2015 (39). The average age of all open SPP RE violations is 331 days, below the 12-month target established in NERC’s Compliance Monitoring and Enforcement Oversight Plan. The Enforcement caseload at year’s end includes 37 MRRE violations. The average age of the 19 MRRE violations in which SPP RE is not the LRE is 532 days. If these violations are removed from the SPP RE caseload, the average age of the SPP RE violation caseload drops to 272 days.

**Mitigation Plans; High Impact Violations**

Implementation of webCDMS’s “mitigating activities” option gave Registered Entities the ability to submit mitigating activities in lieu of a mitigation plan for violations that were mitigated shortly after discovery. This resulted in a lower number of mitigation plan submissions in 2015. There were 79 mitigation plans submitted in 2015, compared to 99 in 2014. Registered Entities submitted mitigating activities for 17 violations. Enforcement reviewed 79 completed mitigation plans and 17 mitigating activity submissions in 2015, compared to 101 in 2015.

At the end of 2015, the number of violations without mitigation plans was down significantly from 2014. There were 31 violations without mitigation plans or mitigating activities at the end of 2015, compared with 69 at the end of 2014. Of the 37 multi-region violations in the SPP RE caseload at year’s end, SPP RE is the LRE for 18 of these violations. Nine of the 18 SPP RE MRRE violations did not have mitigation plans submitted at year’s end.

“High Impact” violations represent a substantive risk to the Bulk Power System. In 2014, the criteria for High Impact designation was changed to include actual risk along with the assigned Violation Risk Factor (VRF). This change was made to prevent a High Impact designation when a violation’s facts and circumstances did not represent a serious risk, even though the VRF was high. As a result, the number of incoming High Impact violations dropped from 41 in 2013, to four in 2014, to zero in 2015. At the end of 2015, there were two open High Impact violations. The mitigation plan for one of these violations was verified complete at year’s end. The remaining open High Impact violation is a MRRE violation in which SPP RE is not the LRE.
## 2015 Metrics Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Actual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Expedite processing and mitigation of High Impact (HI) violations</td>
<td>Not Applicable ¹</td>
</tr>
<tr>
<td>2. Process December 31, 2014 caseload (119 violations) within 2015</td>
<td>120%</td>
</tr>
<tr>
<td>3. Accept or reject Mitigation Plans within 30 days of submission/10 days of resubmission by Registered Entity</td>
<td>150%</td>
</tr>
<tr>
<td>4. Complete Mitigation Plan completion reviews within 20 days of Registered Entity notification of completion</td>
<td>122.5%</td>
</tr>
<tr>
<td>5. Process pre-2014 violations and send to NERC by 11/20/15²</td>
<td>67.25%</td>
</tr>
<tr>
<td>6. Complete incoming violation triage within 45 days of Compliance staff sending the possible violations to Enforcement</td>
<td>146.33%</td>
</tr>
<tr>
<td>7. Complete documentation close-out of all closed violations within 45 days of issuance of the Notice of Completion of Enforcement Action</td>
<td>100%</td>
</tr>
<tr>
<td>8. Publish non-public off-site audit report to NERC (45 days)</td>
<td>120%</td>
</tr>
<tr>
<td>9. Publish non-public on-site audit report to NERC (65 days)</td>
<td>120%</td>
</tr>
<tr>
<td>10. Review and issue determination for BES registration and deactivation requests</td>
<td>120%</td>
</tr>
<tr>
<td>11. Publish internally completed assessment of Self-Certification/periodic data submittals</td>
<td>100%</td>
</tr>
<tr>
<td>12. Process incoming Possible Violations to NERC through webCDMS in 5 business days or less</td>
<td>100%</td>
</tr>
<tr>
<td>13. Control out-of-pocket expenses for audits (contractor billing and travel)</td>
<td>150%</td>
</tr>
<tr>
<td>14. Increase outreach/oversight of relay misoperations data to reduce reported misoperations for 4Q 2014-3Q 2015</td>
<td>87%</td>
</tr>
</tbody>
</table>

¹ There were no High Impact Violations in 2015, so this metric was removed.
² SPP RE Enforcement processed 40 of 46 pre-2014 violations by the November 20, 2015 deadline. Two of the pre-2014 violations were not processed in 2015 because the mitigation plans for these violations are not scheduled to be completed until 2016. The four remaining pre-2014 violations were sent to NERC in December, shortly after the metric deadline.
Outreach

SPP RE holds three compliance workshops annually. Members, Registered Entities, and other interested parties are invited to attend in-person or via webinar to learn more about SPP RE and NERC processes, emerging issues, compliance best practices, and more. In addition to presentations by SPP RE staff, guests from FERC, NERC, and Registered Entities are invited to speak on topics of interest. In 2015, SPP RE held three workshops with 649 participants, a 12% increase over 2014. In addition to the CIP workshop, in 2015 the SPP RE CIP team conducted seven outreach meetings at stakeholder companies in advance of CIP Version 5 implementation.

SPP RE posts training videos to capture basic compliance education presented at webinars and workshops. In 2015 we posted 14 new videos and received 1,400 views on all 57 videos. We regularly host webinars to inform Registered Entities about compliance matters and emerging issues. In 2015, SPP RE hosted six webinars with 740 registrants. SPP RE issued 12 monthly e-newsletters that included feature articles, workshop and webinar invitations, and updates on SPP RE and NERC activities.

In 2015, SPP RE staff continued to participate in the RE Trustees, MOPC and the following SPP working groups: Operating Reliability, Transmission, System Protection and Control, Operations Training, Critical Infrastructure Protection, Generation, Model Development, Event Analysis, Consolidated Balancing Authority, and Operations Model Development. The RE General Manager participates in Board of Directors and Regional Compliance Working Group meetings.

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| 15. Assure proper Event Analysis cause codes can be verified from Event Analysis Reports issued by SPP RE Registered Entities ³ | 72.25% |
| 16. Complete 100% of outreach production goals with a stakeholder satisfaction rating ≥ 3 | 130% |
| 17. Complete Continuous Improvement Projects to improve SPP RE’s performance of CMEP activities and implementation of NERC directives | 100% |
| **ACTUAL WEIGHTED TOTAL** | **114.7%** |

³ Nine events were cause coded in 2015. For eight of the events, a cause code was completed. For one event, the Registered Entity was unable to determine the root cause, preventing the identification of a cause code.
**Improved Technology**

In 2015, SPP RE worked with all Regional Entities and NERC to implement the TFE Version 5 update. This enhancement included data conversions and interface updates needed to transition from CIP Version 3 to CIP Version 5. SPP RE staff worked with OATI and other regions to test and implement additional webCDMS enhancements, such as entity functional mapping that allows the RE to link functional relationships between entities.

**Stakeholder Survey**

SPP RE strives to continuously improve its performance of its NERC-delegated functions. Each year, SPP RE asks its Registered Entities to provide anonymous input on the organization’s programs and customer service to stakeholders. SPP RE issued the 2015 Stakeholder Satisfaction Survey on September 15, 2015 to the 88 Primary Compliance Contacts who are registered in SPP RE’s compliance database (webCDMS). The survey had a 65% response rate (58 respondents), up from 62% in 2014. Of the 58 respondents, 12 opted out of the survey.

Respondents were asked to assess seven SPP RE programs on their importance, how well they meet expectations, and customer service/responsiveness. Stakeholders were also asked to assess SPP RE’s performance in relation to other Regional Entities, to rate overall performance, and to provide qualitative comments.

Of the 21 respondents who interact with other Regional Entities, none rated SPP much worse, 5% rated SPP RE somewhat worse, 19% rated SPP RE about the same, 43% rated SPP RE somewhat better, and 33% rated SPP RE much better.

When asked how well SPP RE’s programs and services meet expectations, respondents rated all with average scores in the *meets expectations* range between 3.2 and 3.6. When asked to rate employees’ customer service ability or programs’ responsiveness to needs, respondents rated all with average scores between *good* and *excellent*, from 4.1 to 4.6. The 2015 overall satisfaction rating of 4.1 is the same as last year’s rating.

**2015 Budget Performance**

SPP RE’s 2015 actual expenses were $9.9 million, compared to the 2015 budget of $11.8 million. The budget variance of ~$1.9 million was driven primarily by four open staff positions, as over 84% of the budget is personnel-based (salaries, travel expenses, and the SPP, Inc. overhead charge).

Several factors contributed to the remaining budget variance. Implementation of Inherent Risk Assessment reduced the compliance monitoring plan for several Registered Entities, causing a decrease in the use of contractors. The continued improvement of Registered Entities’ audit performance has led to fewer days spent on audits or a reduction in the number of auditors. The
absence of any hearings and a delay in the development of the Engineering Data Validation tool contributed ~$490 thousand to the budget variance.

Although SPP RE was under budget for 2015, all of its required activities were completed as a result of SPP RE staff’s increased experience; a declining number of incoming violations due to a higher level of compliance, particularly in the O&P area; and enhanced efficiencies in internal SPP RE processes.

2015 Goals and Achieved Performance

The following goals were outlined in the 2015 year-end report. Each of these is listed below with its status.

1. **Work with the SPP RTO Compliance Department to develop a coordinated outreach effort for CIP Version 5 transition.** The 2015 CIP Compliance Workshop will be mostly dedicated to CIP Version 5 requirements. Additional webinars and a practical exercise are in the early planning stages. SPP RE and SPP RE Registered Entities will continue their involvement in the CIP Version 5 Transition Advisory Group and continue to keep the SPP membership up to date through the SPP CIP Working Group. SPP RE and one SPP RE Registered Entity continued their involvement in the CIP Version 5 Transition Advisory Group and continued to keep the SPP membership up to date through the SPP CIP Working Group. The CIP audit team conducted extensive CIP Version 5 outreach through on-site visits (single-entity readiness reviews and multi-entity training/Q&A sessions), two webinars, responses to numerous questions submitted by email or phone call, and the CIP compliance workshop conducted June 2-3, 2015.

2. **Continue working with NERC and other Regional Entities to streamline and standardize Compliance Monitoring and Enforcement program (CMEP) processes through tools and initiatives such as the Risk-based CMEP, Auditor Handbook, auditor training/certification, added on-site audit efficiencies, and reduced audit scope.** The O&P and CIP audit teams implemented numerous process and performance improvements in 2015, including implementation of the NERC Auditor Handbook, participating in staff training events, enhancing pre-audit evidence review, reducing audit times and team sizes, increasing outreach during audit field work, and implementing MRRE, IRA, ICE, Self-Logging, and Compliance Exception procedures to add consistency across the regions.

3. **Develop internal controls to track and monitor CMEP activities.** SPP RE developed and approved the SPP RE Compliance Internal Controls Process Guide and Enforcement Controls Guide to describe controls for CMEP activities.

4. **Achieve a favorable rating on all NERC and FERC spot checks.** FERC performed an oversight of one O&P on-site audit. FERC commented that SPP RE performed the audit with a high level of efficiency and coordination between the audit team members and Registered Entity. NERC and FERC jointly observed one CIP on-site audit at year-end. NERC identified three positive observations and no recommendations. FERC has not yet scheduled a debrief to provide comments; however, informal feedback during the on-site fieldwork was
favorable.

5. **Develop “how-to” guides for Compliance and Enforcement webCDMS process and procedures.** As a “continuous improvement” project for 2015, a number of “how-to” guides were developed for Compliance and Enforcement’s webCDMS processes and procedures. The guides include an element of SPP RE’s business continuity plan for employee-related contingencies such as extended absences due to military service, maternity leave, or long-term illness. They will also be used as part of SPP RE’s new hire training materials. The guides provide detailed instructions and webCDMS screen shots that will allow an SPP RE employee with basic webCDMS knowledge to perform CMEP tasks such as submitting violations found during an audit or processing mitigation plans.

6. **Meet specific performance metrics and goals.** SPP RE met or exceeded 13 of the 17 performance goals established in the 2015 Staff Goals and Metrics, achieving an overall weighted score of 114.7%. The most notable achievements were processing greater than 120% of the Enforcement caseload, reducing audit costs by more than 22%, and attaining all outreach production goals with an SPP RE Stakeholder Satisfaction Survey rating of 3.6.

7. **Monitor Registered Entities’ remediation of Facility Ratings discrepancies.** The Facility Ratings Alert program ended in 2014. In SPP RE, as of December 31, 2015, all high priority line discrepancies had been mitigated, 79% of medium priority line discrepancies had been mitigated, and 88% of low priority lines had been mitigated. SPP RE granted extensions to eight companies through 2016.

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**2016 Goals**

1. Develop and conduct an outreach effort for the CIP Version 5 transition, Low Impact requirements, that are effective April 1, 2017. SPP RE and the SPP RE Registered Entities will continue their involvement in the CIP Version 5 Transition Advisory Group and continue to keep the SPP membership up-to-date through the SPP CIP Working Group.

2. Achieve a favorable rating on all NERC and FERC spot checks.

3. Meet specific performance metrics and goals.

4. Improve budget performance based on new SPP overhead charges and other budget adjustments approved for 2016.

5. Improve and increase monitoring of relay misoperation activity in association with SPP RTO and NERC through various techniques (monitoring, reporting, and outreach).

6. Complete IRAs for all Registered Entities by the end of 2016.