

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Enforcement 101

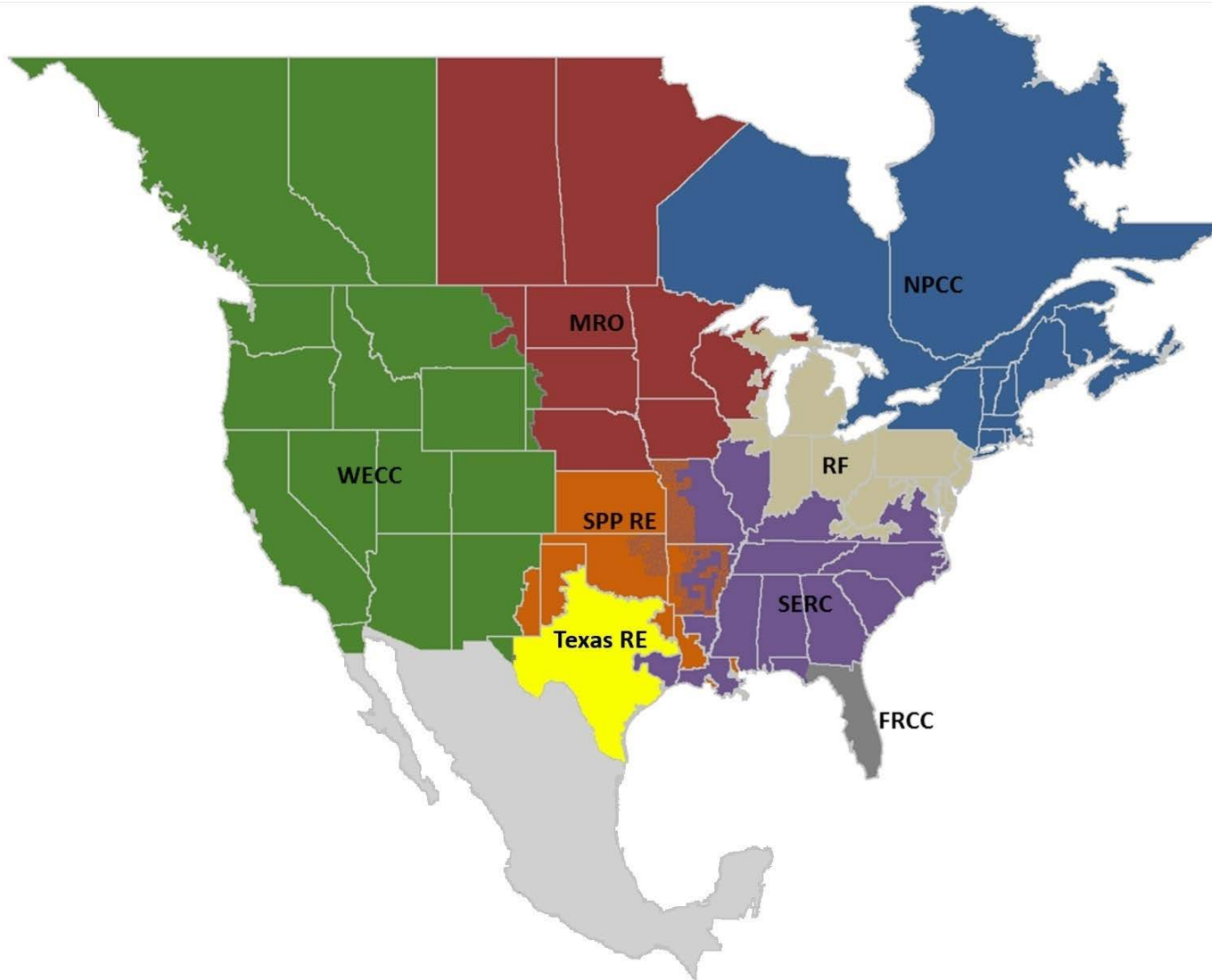
Leigh Faugust, Enforcement Counsel
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RELIABILITY | ACCOUNTABILITY



- **The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to ensure the reliability of the bulk power system in the continental United States, Canada, and the northern portion of Baja California, Mexico—over 334 million people.**
 - Develops Reliability Standards
 - Enforces Reliability Standards
 - Monitors the bulk power system (BPS)
 - Assesses adequacy
 - Audits owners, operators, and users for preparedness
 - Educates and trains industry personnel

- 1968 – The National Electric Reliability Council is established by the electricity industry in response to the 1965 blackout
- August 14, 2003 – 50 million people lose power in the Northeast and Midwest US and Canada
- 2005 – Energy Policy Act of 2005 authorizes the creation of an audited self-regulatory Electric Reliability Organization
- 2006 – FERC certifies NERC as the ERO for the United States and NERC signs MOUs with Ontario, Quebec, Nova Scotia and the National Energy Board of Canada
- 2007 – FERC approves NERC and the eight RE delegation agreements for the monitoring and enforcement of compliance of NERC Reliability Standards. FERC approves 83 of 107 proposed reliability standards.
- June 18, 2007 – NERC Reliability Standards become mandatory and enforceable in the United States



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- 2007-2011 – All noncompliance is treated identically regardless of risk to reliability
- 2011 – Introduction of Find, Fix, Track and Report (FFT) as a streamlined disposition method
- 2013-2014 – Reliability Assurance Initiative (RAI)
- November 3, 2014 – NERC files its informational filing with FERC in Docket No. RR15-2-000
- February 19, 2015 – FERC approves NERC's implementation of the risk-based CMEP (formerly known as RAI)
- 2015-2017 – NERC files Rules of Procedure changes and requests additional enhancements to the program from FERC

- Energy Policy Act of 2005 – Section 215
- NERC Rules of Procedure – Section 400
 - Appendix 4B – NERC Sanction Guidelines
 - Appendix 4C – Uniform Compliance Monitoring and Enforcement Program
- Regional Delegation Agreements
 - Regional Entities must follow NERC Rules of Procedure
- Other Enforcement References
 - <http://www.nerc.com/pa/comp/CE/Pages/Enforcement-and-Mitigation.aspx>
 - <http://www.nerc.com/pa/comp/Pages/Reliability-Assurance-Initiative.aspx>