



# Compliance Monitoring

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**Because this event brings together market participants who may be viewed as actual or potential competitors, we must be mindful to conduct it in a manner that is consistent with the antitrust and competition laws. Participants should not disclose non-public, proprietary, or competitively sensitive information.**

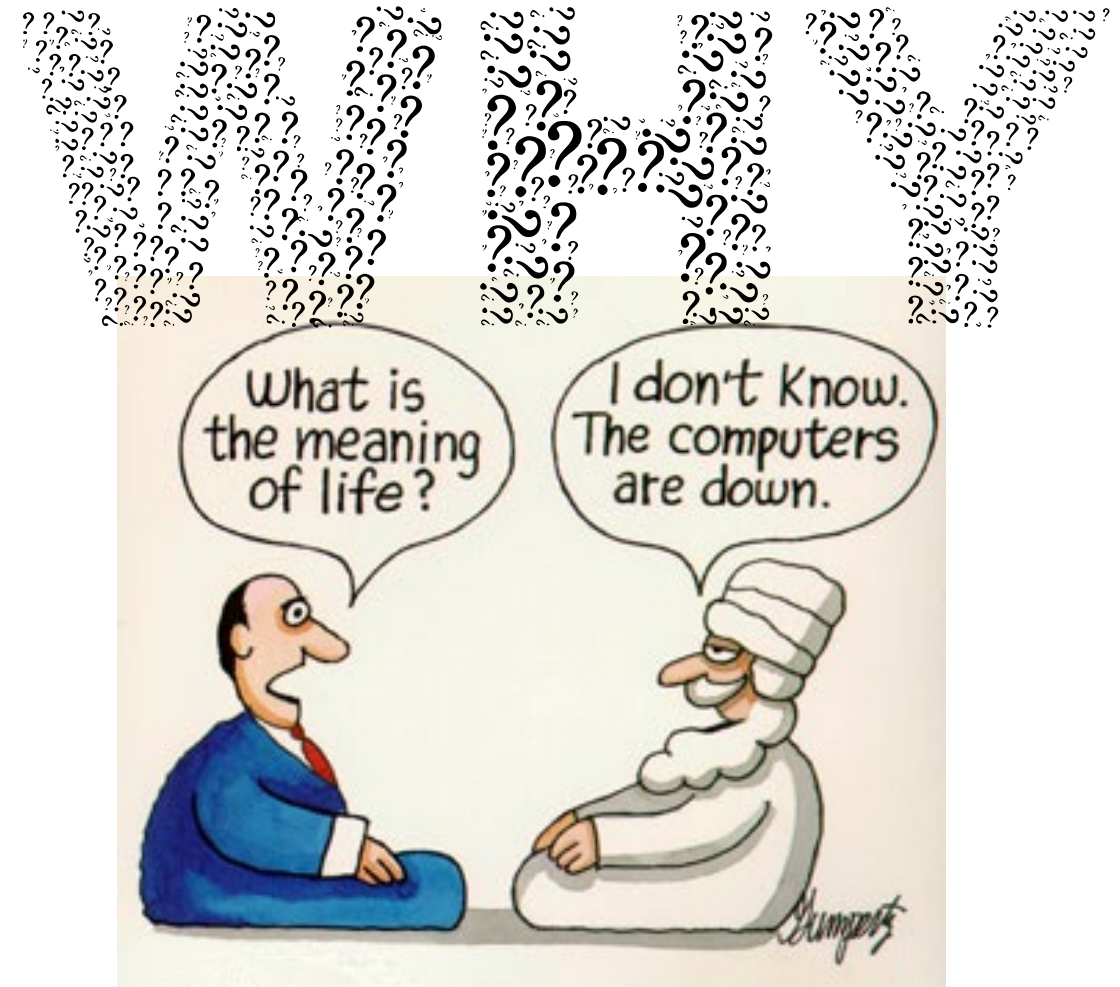
**Attendees should exercise independent judgment and avoid even the appearance of discussions of agreements or concerted actions that may be viewed as restraining competition. Any questions on Texas RE's Antitrust Compliance Corporate Policy may be directed to Texas RE's General Counsel.**

# Our Mission: Why We're Here

## Texas RE Mission Statement

- To assure effective and efficient reduction of risks to the reliability and security of the Bulk Power System (BPS) within the ERCOT Interconnection.

## What role does Compliance Monitoring have?



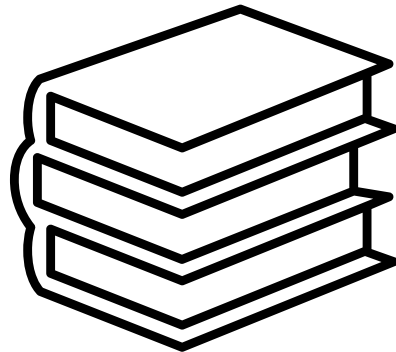
## 6 Regional Entities + NERC



# Rule Book(s)

## Rules of Procedure (ROP)

- Covers definitions, registration, oversight, sanction guidelines (penalties), and many other things, including the Compliance Program requirements for Regions
- Appendix 4C – Compliance Monitoring and Enforcement Program



## NERC Reliability Standards

- Responsibility of registered entities
- Requirements vary by registration type

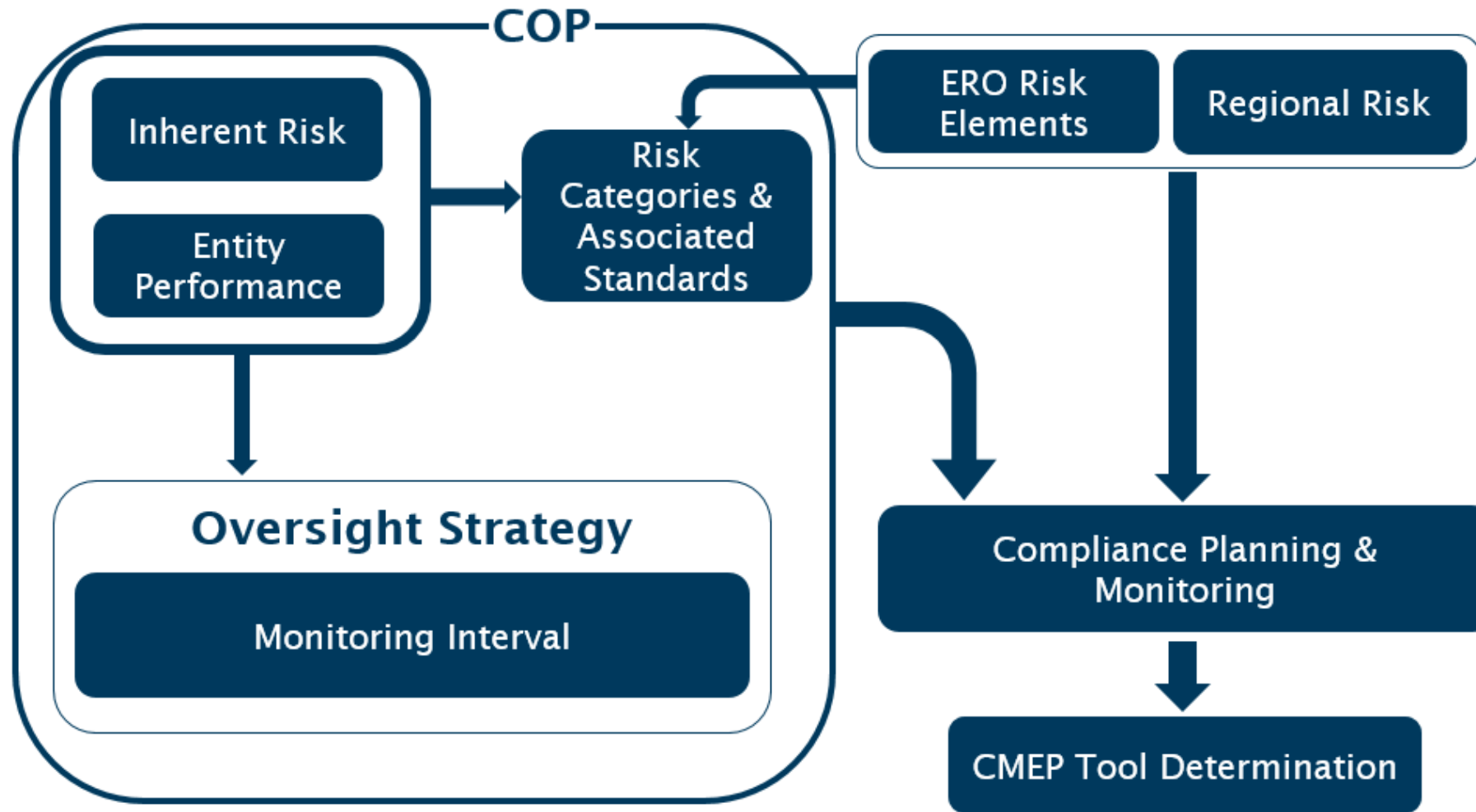
## **ERO Enterprise Compliance Monitoring and Enforcement Implementation Plan (CMEP IP)**

- [2026 CMEP IP](#)





# ERO Enterprise Risk-Based Compliance Oversight Framework



# Tools for Assessing Compliance

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COMPLIANCE AUDITS

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SELF-CERTIFICATIONS

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SPOT CHECKS

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COMPLAINTS

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DATA SUBMITTALS

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SELF-IDENTIFICATION

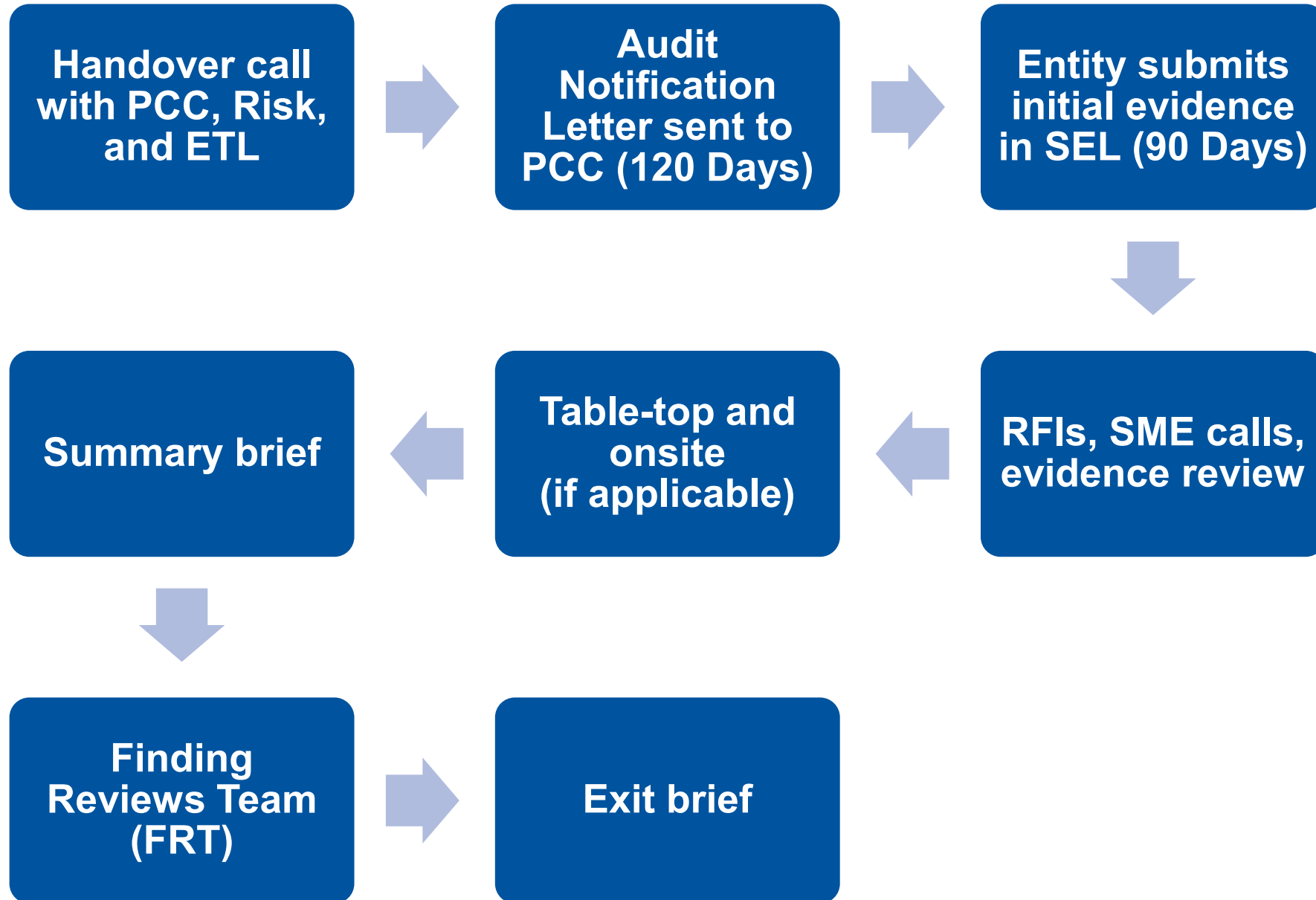
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COMPLIANCE INVESTIGATIONS



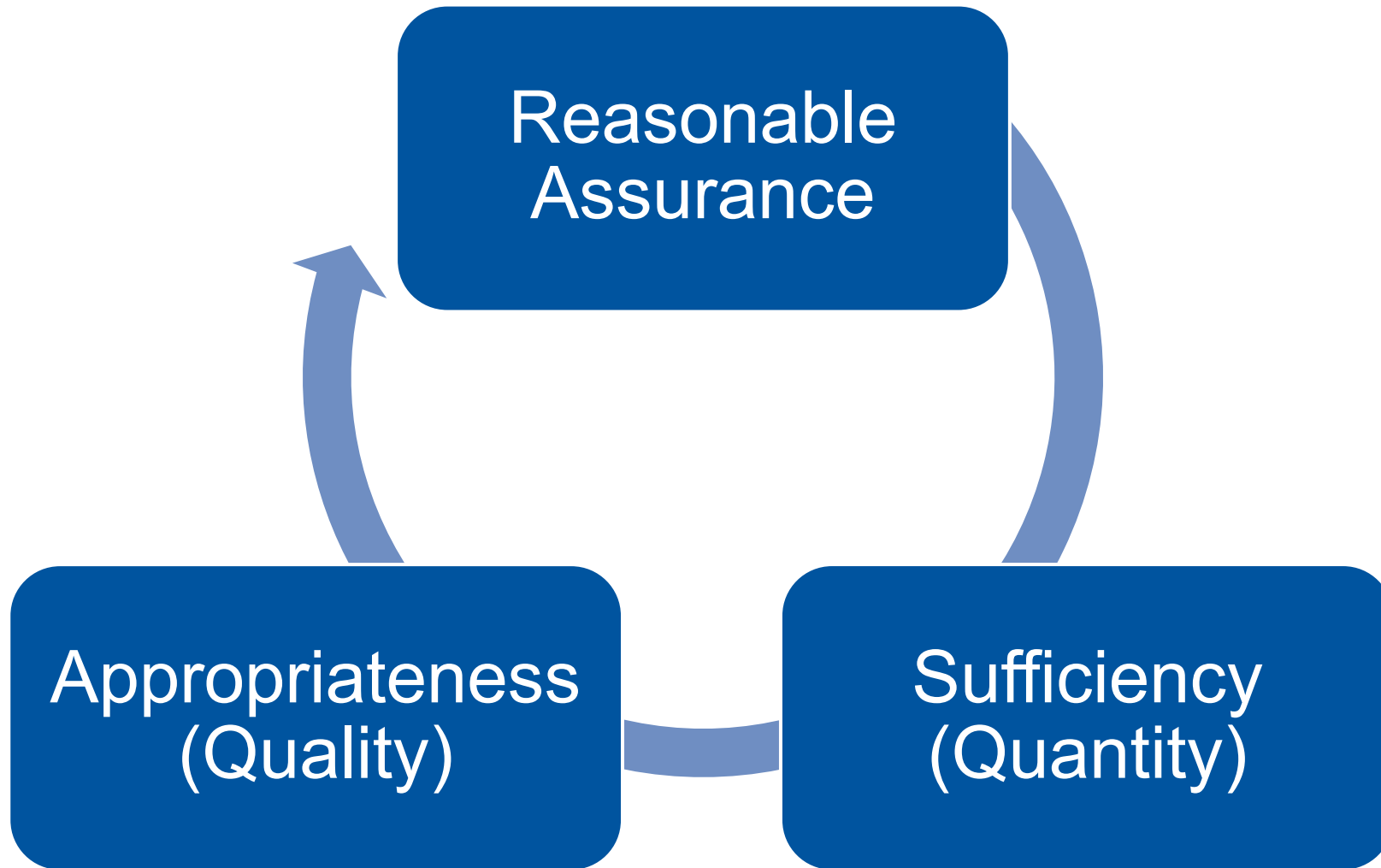


# Compliance Audit Process Overview





# Fieldwork Requirements for Performance Audits





# Recent Top Violations Discovered by NERC Standards

## Standards

\*CIP-003

\*CIP-007

\*PRC-005

\*CIP-010

\*MOD-025

\*MOD-027

PRC-019

\*MOD-026

\*CIP-002

\*CIP-005

\*EOP-012

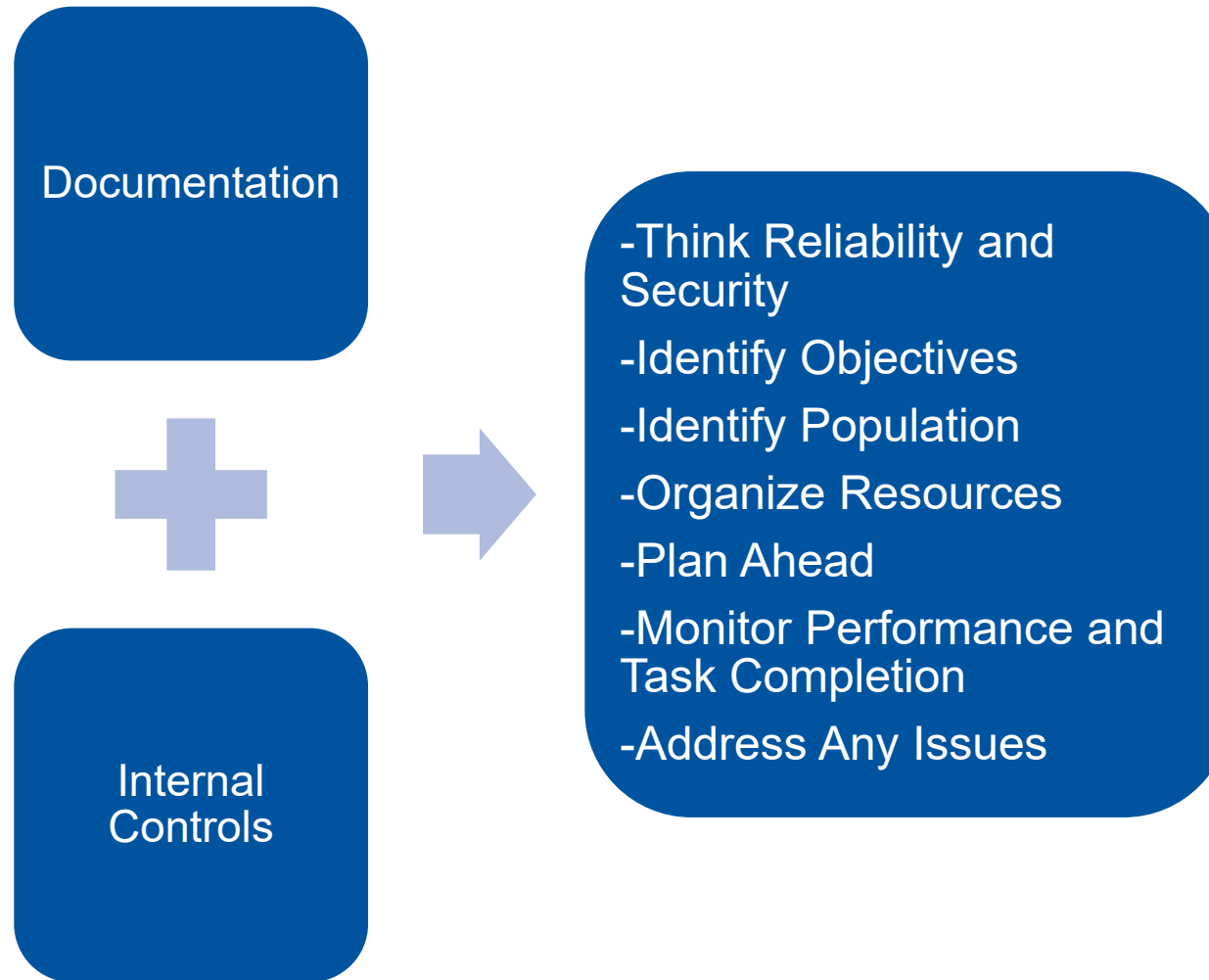
\*FAC-008

VAR-002

\*Included in recent CMEP IP



# Compliance Management Program





# Facility Ratings Internal Controls Example

## Prioritizing Consistency

- Ensure that the entity's Facility Ratings Methodology (FRM) and Facility Rating documentation/workbooks are consistent and do not contradict one another.
- Ensure that the Facility Ratings Methodology is followed as it relates to the calculations and conversions as well as workbook naming conventions.

## Periodic Reviews

- Ensure that the entity has internal controls intended to prompt a review of its Facility Ratings with emphasis on risk management and a physical walkdown component.
- Consider implementing peer-review when the entity's Facility Ratings are reviewed or updated.

## Change Management

- Ensure that the entity's FRM includes change management practices.
- Ensure that the entity has internal controls in place designed to prompt a review of its Facility Ratings for when equipment is replaced, including roles and responsibilities.

## Record Management

- Ensure proper version history is documented by establishing revision tables to capture review and update details.
- Include dates, personnel name(s) and title(s), and brief comment or description of the changes made.



## Texas RE Website

- Welcome Packet
- Entity Resources
- Resource Hub
- Texas RE Training Page  
(Presentation Materials, Recordings, etc.)

## NERC Standards Review Forum (NSRF)

## Critical Infrastructure Protection Working Group (CIPWG)

## Texas RE Workshops

## Talk with Texas RE

## Texas REview

## Texas RE Board Meetings

## NERC Meetings



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