

Facility Ratings Focus

Member Representatives Committee Meeting
December 8, 2021

The “Why” We Are Here

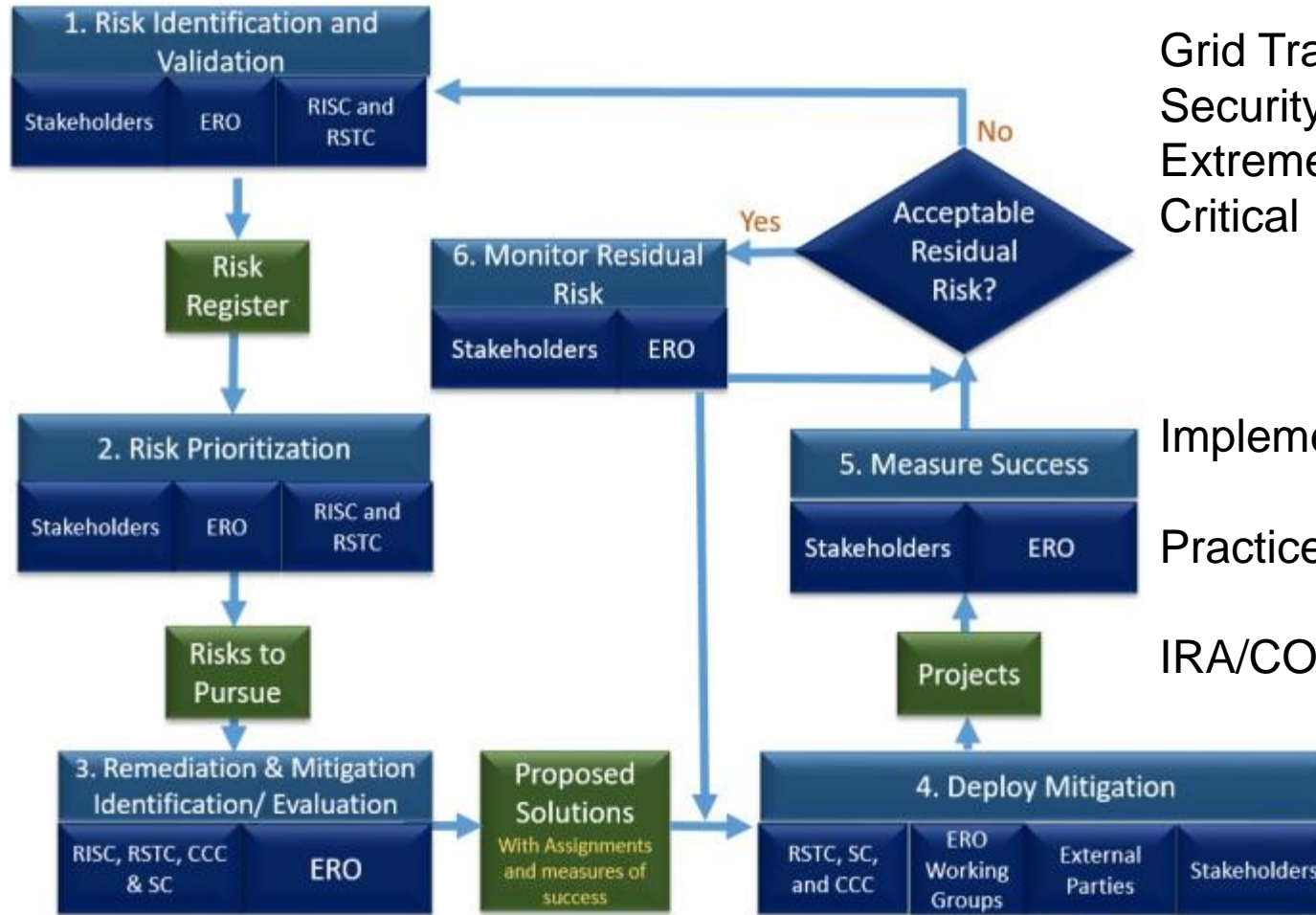


NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION



Risk Management



Grid Transformation
 Security Risks
 Extreme Natural Events
 Critical Infrastructure Interdependencies

Implementation Plan

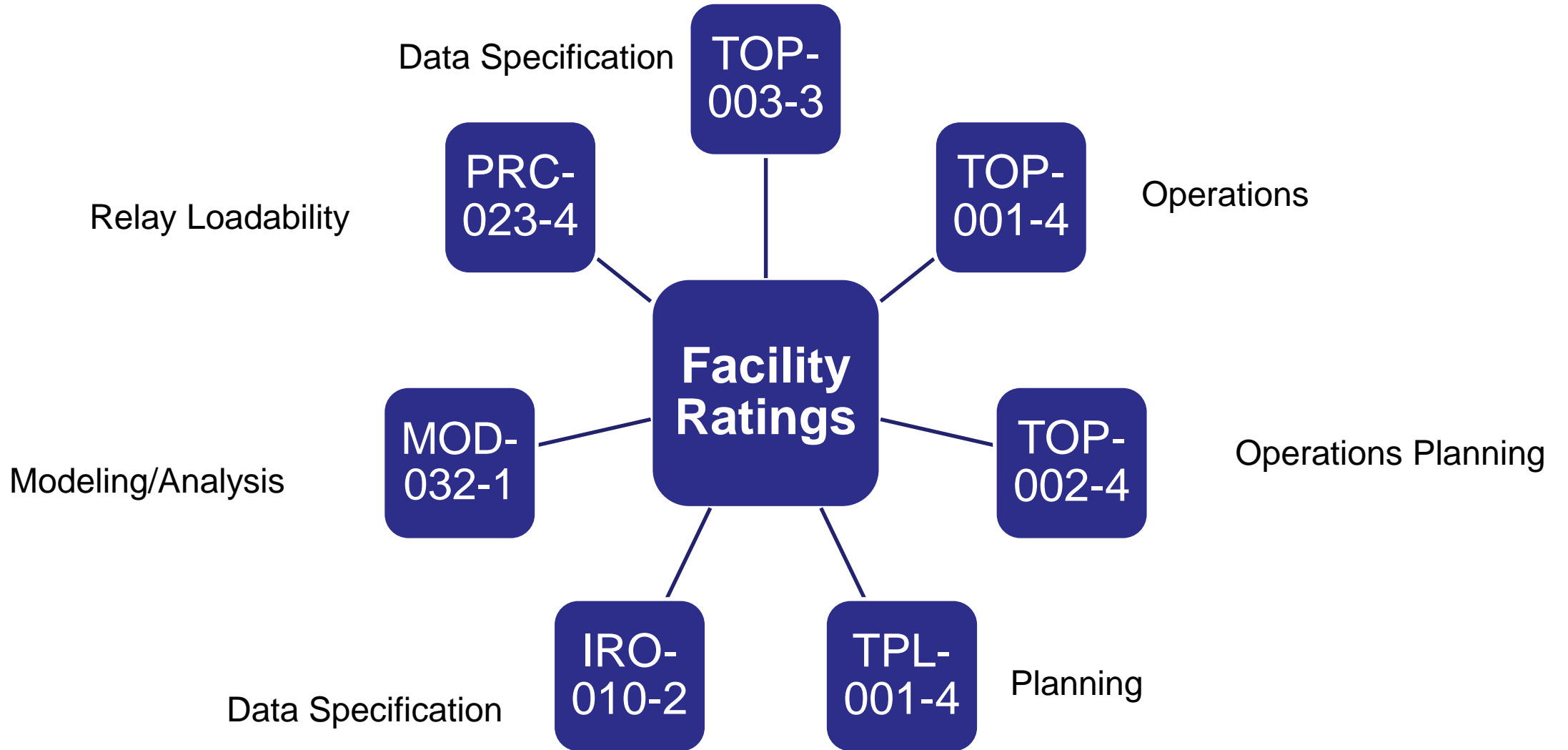
Practice Guide

IRA/COPs



PHOTO: MIKE ELIASON/SANTA BARBARA COUNTY FIRE DEPARTMENT/AP

Risk



Outreach Coverage

2015, 2016,
2017, 2018,
2020
Workshops,
NSRF, Talk
with Texas
RE, etc.

Oct 2021
Focused
TO/TOP
only
Workshop

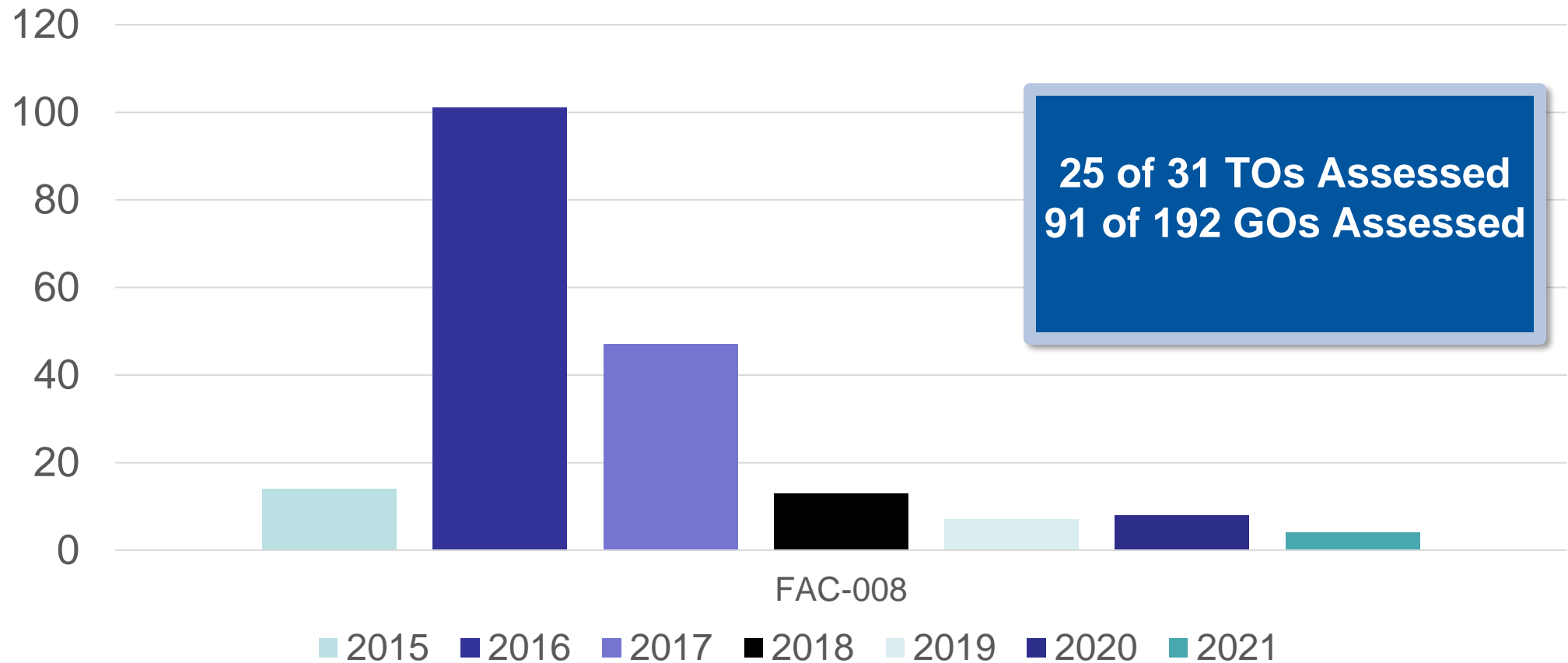
One-on-One
Meetings

CCC Task
Force (now
joint with
NATF)

Practice
Guide,
Common
Questions

ERO
Enterprise
Task Force

FAC-008 Requirements



Registered Entity Best Practices

- **Robust documented change management processes for equipment changes that include:**
 - SME evaluation of changes
 - Required pre-implementation approvals/notifications
 - Inventory verification/updates
 - Checklist to verify appropriate follow-up action(s) taken
 - Periodic reviews/comparisons with internal and external models
 - Periodic reviews with others (e.g., construction/maintenance crews, relay and control, EMS support, RC support, etc.)
 - As needed review if major event has occurred (e.g., Uri, Harvey, 1989 Derecho, Bastrop Fire, Jerrell F-5, etc.)

Registered Entity Best Practices (cont.)

- **Strong annually reviewed methodology – clear instructions, roles and responsibilities, coordination expectations**
- **Inventory tools- write access dictated by FRM roles with automated notifications to affected groups**
- **Periodic field verification -percentage and risk based on legacy, post-event review, and new installations**
- **Checklist for changes that includes data provision (internally and externally), review of SOLs, relay impacts, and EMS/GMS/application alarming impacts**
- **Facility Rating/MLSE database with robust controls, MLSE and secondary MLSE identified, jointly owned Facilities identified**

Since 2016 47 Facility Rating Violations in Texas RE Footprint

- 31 Moderate Risk, 16 Minimal Risk, **ZERO (0) Serious Risk**
- \$497,000 in penalties

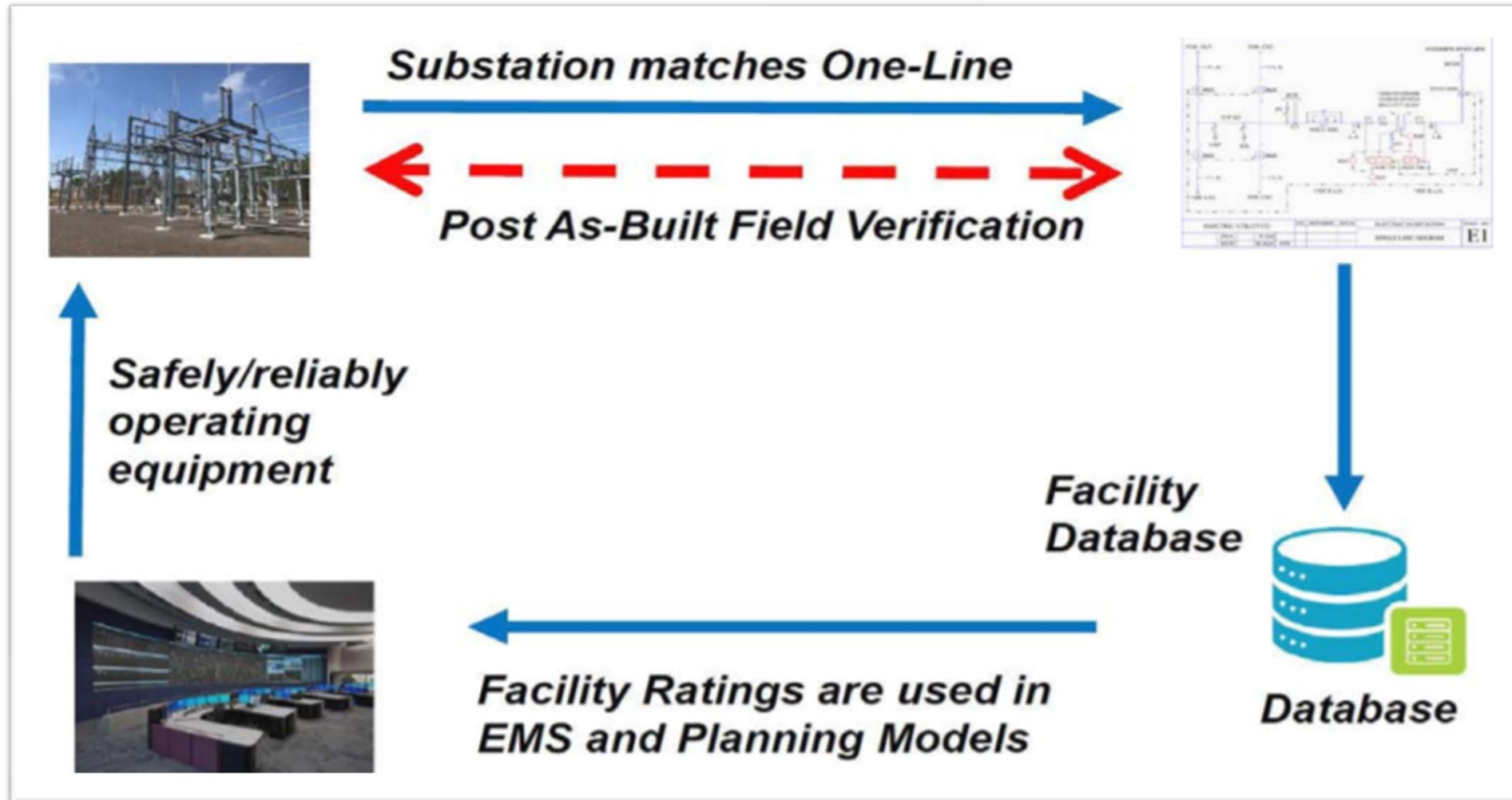
Closed All Facility Rating Violations Discovered Prior to 2020

- Not seeing broad systemic issues
- Remaining issues-smaller TOs, smaller/newer GOs, limited Facilities

Mitigation

- Dependent upon risk not a “one size fits all” approach
- Extent of Condition reviews
- Change management improvements (e.g., periodic field reviews, inventory/tracking tools, notification tools, internal checks, etc.)

Simplified Facility Ratings Flow Diagram



Support Strong Sustainable Facility Ratings Programs (“Why”)

- Outreach
- Engagement with industry

Determine Status of Facility Ratings Assessments

- Timeliness
- Risk/Address gaps

Enhanced Approach Regarding Facility Ratings Programs

- Use current tools with emphasis on mitigation efforts
- Encourage self-assessment and risk-based prioritization

Support Facility Ratings Task Forces (CCC/NATF/ERO)

The background of the slide features a blurred Texas state flag on the left and a target with several darts on the right. The darts are clustered in the center of the target, suggesting a focus or a goal.

Questions?



TEXAS RE

Ensuring electric reliability for Texans