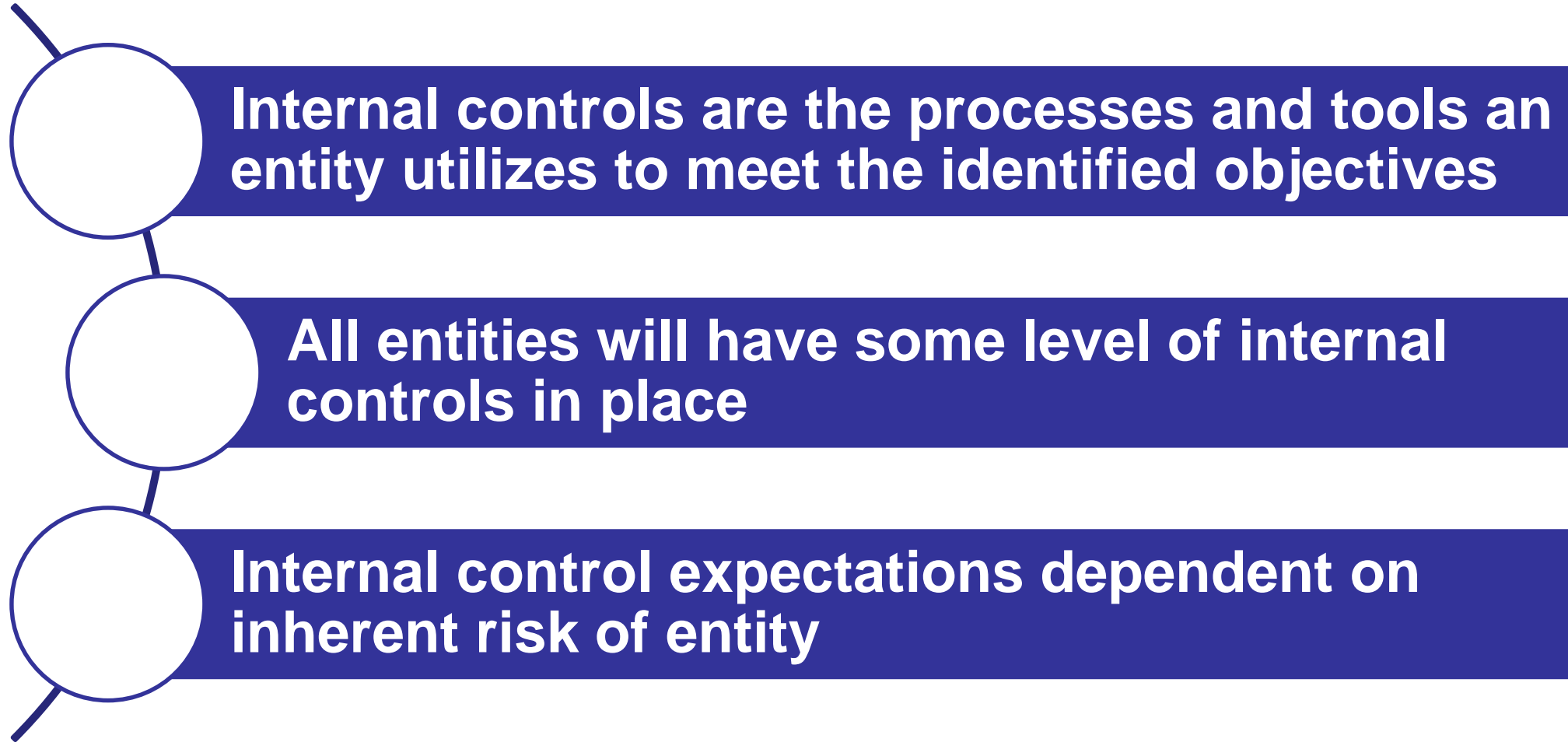# Facility Rating Internal Controls

Objectives

- **Establish Facility Ratings that respect the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility**
  - Consideration of all applicable equipment
  - Accurate Equipment Ratings

- **Ensure established Facility Ratings are consistently utilized**
  - Protection
  - Analysis
  - Monitoring

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Internal Controls

Internal controls are the processes and tools an entity utilizes to meet the identified objectives

All entities will have some level of internal controls in place

Internal control expectations dependent on inherent risk of entity

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Internal Controls

Methodology

Inventory

Verification

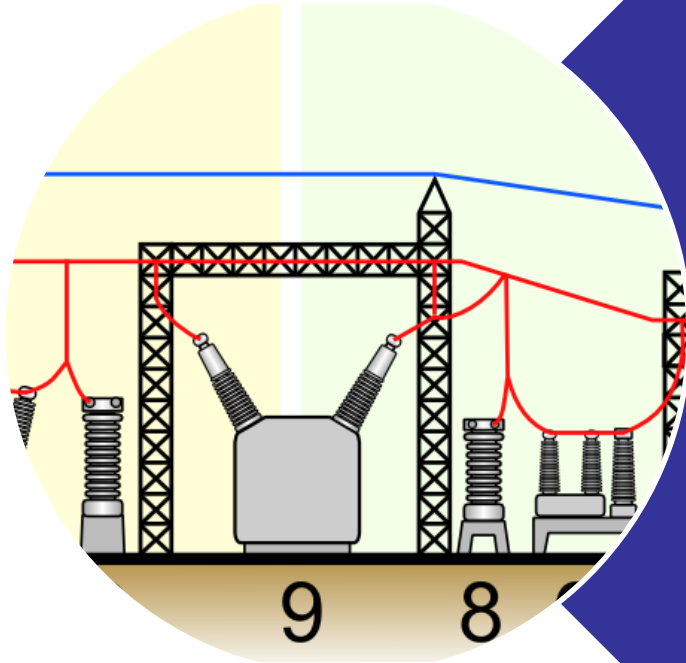**Change Management**

Facility Rating Methodology

FAC-008 requires registered entities to have a methodology and/or documentation that includes the method, assumptions, and process for determining Facility Ratings

- **Low Bar Power Company has a methodology addressing each item required by the Standard at a high level.**

Facility Rating Methodology Example #2

- **Max Reliability Power Company has a detailed methodology that address each item in the Standard and includes:**
  - Annual reviews
  - Roles and responsibilities
  - Identification of tools
  - Step-by-step work instructions

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Inventory

Inventory tracking of Facility Ratings, the equipment that comprises each Facility, and all Equipment Ratings is necessary for:

- **Establishing Facility Ratings**
- **Evaluating change impacts**
- **Verifying Facility Ratings**

Inventory Example #1

- **Low Bar Power Company maintains a spreadsheet that identifies the series equipment, Equipment Ratings, and Facility Rating for its Facilities**

Inventory Example #2

- **Max Reliability Power Company maintains a database that identifies the series equipment, Equipment Ratings, and Facility Rating for its Facilities, and includes:**
  - Equipment Rating documentation
  - Flagging when Equipment Rating changes impact Facility Ratings
  - Identification of Facilities with unique characteristics
  - Required fields dependent on characteristics of Facilities
  - Automated notification for Facility Rating changes

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Verification

Verification of Facility Ratings is a detective control to help ensure Facility Ratings respect the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility.

Verification Example #1

- **Low Bar Power Company states that it verified its Facility Ratings using as-built one-line diagrams at the time it established its Facility Ratings**

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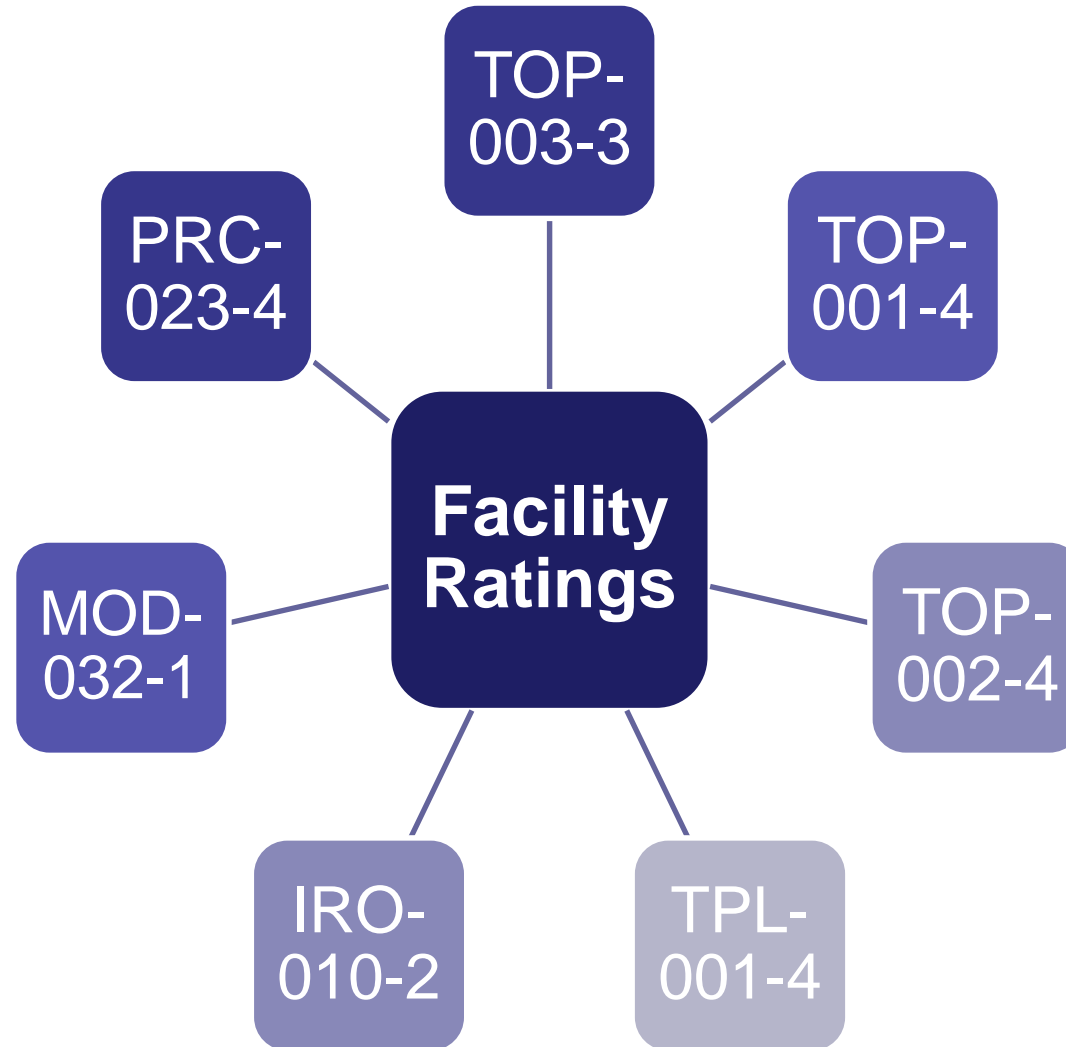Ensuring electric reliability for Texans

Verification Example #2

- **Max Reliability Power Company performs annual field inspections of a percentage of its Facilities to ensure all applicable equipment has been considered in Facility Ratings documentation and Equipment Ratings are accurate.**
  - Anomalies evaluated for applicability to other Facilities
  - Identified Facilities prioritized for future field inspections

Change Management

Change management processes are necessary to ensure:

- Equipment Rating changes are evaluated to identify impacts to Facility Ratings
- Facility Rating changes are evaluated to identify impacts to protection, analysis, and monitoring of the Bulk Electric System

Change Management Example

Change Management Example #1

- **Low Bar Power Company has no documented change management processes but states:**
  - Its personnel will know to review Facility Ratings if equipment changes occur
  - Appropriate personnel should receive an email when Facility Ratings change

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Change Management Example #2

- **Max Reliability Power Company has robust documented change management processes for equipment changes that include:**
  - Evaluation of changes by subject matter experts
  - Required change approvals prior to changes being implemented
  - Notification to update inventory after changes implemented
  - Confirmation that changes implemented as planned

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Change Management Example #2

- **Max Reliability Power Company has robust documented change management processes for Facility Rating changes that include:**
  - Automated notification of Facility Rating changes
    - Protection Engineering
    - System Planning
    - System Operations
    - Operations Support
  - Checklist to verify appropriate follow-up action(s) taken
  - Periodic comparisons with internal and external models

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Questions?

Meeting Title
Date