

## **Introduction and Background**

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Electricity is an integral part of the fabric of modern life. WECC strengthens that fabric to preserve and improve society's future. As the Regional Entity responsible for assuring the reliability and security of the Western Interconnection, WECC's work benefits more than 80 million people in the western United States and parts of Canada and Mexico. Through its independence, interconnection-wide perspective, and strong partnerships, WECC delivers on its mission to effectively and efficiently mitigate risks to the reliability and security of the Western Interconnection's Bulk Power System (BPS).

### **WECC's Value Proposition**

**Independence:** WECC serves the public interest and promotes what is best for the reliability and security of the Western Interconnection with an impartial and unbiased voice. WECC strives to be the trusted resource in the Western Interconnection by delivering relevant insight and continuously building credibility in the analytical, oversight, and planning work it does.

**Perspective:** WECC is uniquely situated to develop comprehensive and influential work products that benefit reliability and security. WECC's interconnection-wide view, access to a wide variety of data, and analytical capability allow it to identify broad risks to reliability and security, share insights and actionable recommendations, and implement risk-based concepts to address them.

**Partnership:** WECC works with industry and other organizations to identify, evaluate, and reduce risks to the reliability and security of the Western Interconnection. WECC's partners include users, owners, operators, policymakers, government entities, ERO Enterprise entities<sup>1</sup>, and other stakeholders and participants. Together, WECC and its partners work toward a vision of a reliable and secure BPS in the Western Interconnection.

### **WECC's Strategic Planning Process**

WECC's strategic planning process has evolved over the years including recent efforts to align WECC's strategic planning with the ERO Enterprise. During 2019, the ERO Enterprise Executive Committee (EC) updated the [ERO Enterprise Long-Term Strategy](#) (ERO LTS), which now represents continent-

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<sup>1</sup> The ERO Enterprise is comprised of NERC and the six Regional Entities, which collectively bring together their leadership, experience, judgment, skills, and supporting technologies to mitigate reliability and security risks and assure the reliability of the BPS in North America. Executives from NERC and the six Regional Entities work together in the ERO Enterprise Executive Committee to guide the ERO Enterprise.

wide reliability and security risks vetted through a stakeholder process, including many WECC stakeholders. In December 2019, the NERC Board of Trustees approved the ERO LTS, and all Regional Entity boards have acknowledged or endorsed the ERO LTS as a common starting point for their respective strategic planning efforts. Using the ERO LTS as a starting point allows WECC to create its Long-Term Strategy (LTS) specifically focused on the unique characteristics, risks, operating challenges, and needs of the West, while participating in reliability and security initiatives across the continent.

### Long-Term Strategy Development

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In 2019, the WECC Board of Directors (Board) created the Section 4.9 Review Committee (Committee) to conduct the five-year Section 4.9 Structure and Governance review as required by the WECC Bylaws. The Board selected WECC's strategic planning process as one of the two topics for review.<sup>2</sup> The Committee formed the Strategic Planning Process Work Group (SPWG) to consider the issue in detail and make recommendations to the Committee. After approving the Committee's recommendations in June 2020, the Board directed WECC management to develop an LTS for approval at the September 2020 Board Meeting.

### Aligning with the ERO Enterprise Model

The ERO Enterprise is committed to its shared vision of a reliable and secure North American BPS. Since being created nearly 15 years ago, the ERO Enterprise has matured significantly and now recognizes the different yet critical roles of NERC and the Regional Entities in carrying out this important mission on a national level. The partnership between NERC and the Regional Entities is critical to the success of the ERO Enterprise, which is committed to—

- Working together as one team and honoring each of its roles;
- Actively supporting ERO Enterprise activities while eliminating unnecessary duplication of work;
- Collaborating in developing clear and consistent guidance across the ERO Enterprise;
- Sharing information, knowledge, and resources across the ERO Enterprise;
- Developing and sharing harmonized messages across ERO Enterprise communications; and
- Supporting innovation, initiative, and the sharing of best practices across the ERO Enterprise.

### WECC Focus Areas and Desired Outcomes

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The Western Interconnection is experiencing unprecedented change driven by many factors, including policy, technological advancement, and natural forces. These factors continue to change how the

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<sup>2</sup> The second topic was stakeholder engagement. As of September 2020, this work is ongoing. See the [Section 4.9 Committee Final Report and Recommendations](#) for more information.



system is designed, planned, operated, and secured. With these changes in mind, WECC has adapted the ERO Enterprise long-term focus areas to address the reliability and security needs of the Western Interconnection while supporting reliability and security across North America. WECC has adopted five strategic focus areas and desired outcomes for the coming years:

**Table 1: WECC Focus Areas and Desired Outcomes**

Focus Area	Outcome
1. Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement actions.	Western viewpoints represented and incorporated in the development of NERC Reliability Standards, regional standards, and regional variances to NERC Reliability Standards. Effective and efficient implementation of risk-based monitoring and enforcement activities.
2. Assess and initiate action to mitigate known and emerging risks to reliability and security.	Clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for WECC Reliability Risk Priorities. High precision of information and models used to assess the reliability of the BPS. Use of advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.
3. Strengthen engagement with the reliability and security community in the Western Interconnection.	Effective relationships with industry groups, WECC technical committees, ERO Enterprise, federal, state and provincial regulators, policy and decision makers, national labs and educational institutions, and the broader reliability and security community.
4. Seize opportunities for effectiveness, efficiency, and continuous improvement.	Quantitative and qualitative results for performance of WECC scorecard items, and development of methods and metrics for ongoing evaluation of effectiveness and efficiency. Continuous improvement of organizational processes and tools to adapt to changes in the industry.
5. Build the capability and culture that enable WECC to deliver on its critical reliability mission.	WECC considered an employer of choice, with highly skilled, collaborative, and engaged employees who are committed to WECC’s mission. Respected as a partner and trusted by stakeholders, NERC, and FERC to produce high-quality, credible, and influential work.

More detail on each of these focus areas follows.



### **Focus Area 1: Innovate and expand risk-based focus in all standards, compliance monitoring, and enforcement actions.**

NERC enables the development of Reliability Standards that establish threshold reliability, resilience, and security requirements. These requirements assure the bulk electric system (BES) is planned, operated, maintained, and secured to minimize risks of cascading failures, avoid damage to major equipment, and limit interruptions. The ERO Enterprise assures that owners and operators of the BES comply with the Reliability Standards. It does this through registration, certification, compliance monitoring, mitigation, and enforcement activities that are part of the Compliance Monitoring and Enforcement Program (CMEP). Over the past several years, the ERO Enterprise has shifted to a risk-based approach for standards and CMEP activities, prioritizing and focusing resources on significant reliability risks. To uphold and expand this risk-based focus, WECC will—

- Provide leadership and expertise in its continued participation in the ERO standards development and review process to ensure Reliability Standards are clear, timely, considerate of costs, effective in mitigating material risks, and do not unnecessarily burden industry with administrative requirements or detract from reliability or security. Use the rich stakeholder expertise in the West to evaluate, and if necessary develop or revise, WECC regional reliability standards or variances to assure they carefully consider the unique characteristics of the Western Interconnection;
- Identify and implement innovative tactics, techniques, and procedures to increase the effectiveness of WECC's CMEP processes and provide clear and consistent guidance to assist registered entities as they evaluate and mitigate risk through reliable and secure operations;
- Continue to improve the quality and consistency of risk assessments and internal controls evaluations and ensure Compliance Oversight Plans for registered entities use the appropriate set of tools (audits, certifications, spot-checks, etc.) at the appropriate frequency to (1) support a culture of reliability and security and (2) provide reasonable assurance that entities are in compliance with applicable Reliability Standards;
- Focus enforcement efforts on highest-risk violations and continue to find ways to efficiently process and close lower-risk violations; and
- Embrace and support the alignment of practices and coordination of outcomes across all ERO CMEP efforts.

### **Focus Area 2: Assess and initiate action to mitigate known and emerging risks to the reliability and security of the Western Interconnection.**

Using its interconnection-wide perspective, WECC provides valuable information and insights on reliability and security risks to decision-makers, subject matter experts, regulators, policymakers, the ERO Enterprise, advisory bodies, and other industry stakeholders. To do this, WECC relies on information and modeling data, study tools, subject matter expertise, and robust analysis. Working



through its various program areas (performance analysis, event analysis, situation awareness, reliability planning, risk assessment, and strategic engagement), WECC is poised to initiate activities to identify, evaluate, and address known and emerging risks to reliability and security.

The biennial development of WECC's Reliability Risk Priorities is a cornerstone of WECC's work to identify known and emerging reliability and security risks. The Reliability Risk Priorities process begins with the issuance of NERC's Reliability Issues Steering Committee (RISC) ERO Risk Priorities Report, which includes risk prioritization and mitigation recommendations from an ERO Enterprise perspective. WECC subject matter experts and stakeholders review these risks, along with risks unique to the Western Interconnection. This collaborative process identifies issues of specific importance to the Western Interconnection that WECC is uniquely situated to address. Once approved by the WECC Board, the Reliability Risk Priorities are used to focus development of program area and committee work plans and define new initiatives and activities.

WECC applies its analytical capabilities and subject matter expertise to help develop and initiate action to mitigate risks to the interconnection. Risk mitigation activities require cooperation, coordination, and communication across WECC's stakeholder community. Often, mitigation activities call for improved operational and planning processes, tools, information, and analysis. Information sharing and feedback systems are necessary to continuously improve risk mitigation and keep up with the changing risk landscape. Once developed, WECC works with stakeholders to measure the effectiveness of mitigation activities.

To be a trusted and independent resource for risk identification, analysis, and mitigation activities, WECC will—

- Demonstrate its independence by proactively identifying emerging reliability risks to the Western Interconnection and urging industry to create mitigation strategies to address the emerging risks;
- Use a variety of stakeholder engagement mechanisms to identify, gather information on, and understand existing and emerging risks, concerns, and perspectives. This includes maximizing the effectiveness of current WECC activities such as assurance visits and event and system performance analysis, as well as developing new activities to gather information in a timely and efficient manner;
- Collaborate with subject matter experts and simulation software vendors to improve modeling accuracy and program capabilities;
- Continuously develop and improve analytical products such as the State of the Interconnection and Generator Resource Adequacy Forecast tools;
- Continue to collaborate with the ERO Enterprise in special assessments and studies, minimizing duplication of effort while ensuring western viewpoints and unique reliability risks are



considered. Supplement ERO Enterprise-wide assessments with western-focused work where necessary;

- Partner with industry stakeholders to identify actionable risk mitigation strategies, make recommendations, and follow up to assess implementation;
- Turn assessment results into useful insights for stakeholders and assure that communication methods are tailored to appropriate audiences;
- Engage in strategic outreach to share reliability- and security-enhancing and risk-reducing practices through regular conversations, best practices webinars and forums, white papers, workshops, lessons learned, and guidelines;
- Reinforce ERO Enterprise-wide cyber security risk mitigation by participating in the Cybersecurity Risk Information Sharing Program, educating Registered Entities about cyber security risks, and emphasizing critical security messages to executive leadership across the interconnection; and
- Support the E-ISAC in its role in cyber security risk identification and mitigation, and encourage Registered Entities in the West to participate and provide information on cyber threat activity directly to the E-ISAC.

### **Focus Area 3: Strengthen engagement with the reliability and security community in the Western Interconnection.**

WECC has an expansive and diverse stakeholder community. This community provides invaluable input to WECC's work and in turn relies on WECC's analysis and information. As a leader in the reliability and security community, WECC's interactions include—

- Partnering with industry subject matter experts, consultants, universities, and national laboratories to analyze reliability and security risks;
- Collaborating with trade associations and forums, vendors, and equipment manufacturers to share and gather input on key reliability and security risks;
- Considering advice and input from the Western Interconnection Regional Advisory Body (WIRAB) on important reliability and security risks; and
- Being a trusted source of insight and analysis for policymakers, regulators, and other government bodies to inform regulatory and policy decisions.

To ensure WECC's work serves the reliability and security of the Western Interconnection, WECC must maintain strong engagement with its stakeholders to access critical stakeholder expertise, information, context, and input to deliver analysis that is informed and relevant. In addition, WECC's stakeholder engagement model must be able to evolve with the organization through periodic evaluation and course correction. The most recent iteration of this evaluation is the stakeholder engagement work completed as part of the 2020 Section 4.9 Structure and Governance review. Results of that work will



shape a stakeholder engagement model that is flexible, nimble, risk-responsive, and capable of carrying WECC into its future.

To be successful in achieving its mission, WECC must understand the drivers and influences in the interconnection and harness technical and subject matter expertise to evaluate and analyze them. Through its strategic engagement structure WECC maintains the relevance of its work by gathering information on the issues, decisions, and policies that drive change in the interconnection. WECC's access to a broad spectrum of stakeholder subject matter expertise provides a wealth of knowledge and experience that is critical to developing insightful and impactful work. Through strategic engagement, WECC will—

- Strengthen proactive outreach and communications with key state and provincial regulatory, legislative, and policy bodies and associations, and industry to identify drivers of change. Policy is changing the Western Interconnection at an incredible pace. To remain relevant, WECC must understand what influences policy and how policy and regulatory decisions impact reliability and security today and in the future;
- Continue to build relationships with industry decision-makers to share important information and insights so they may consider impacts to reliability and security as they drive change in their organizations and across the West;
- Coordinate with NERC and the other Regional Entities on communications with federal, state, and provincial legislative, regulatory, and policy bodies. A strength of the ERO Enterprise model is its ability to funnel information and communication through appropriate channels. WECC will focus its engagement at the state, provincial, and local level, and coordinate with NERC on engagement at the federal level;
- Share the Western Interconnection's specialized and localized point of view on reliability and security matters of national importance;
- Facilitate and encourage entities to share critical information on reliability and security with each other. One of WECC's strengths is its convening power. WECC can use this ability to spur conversations and information sharing about critical reliability issues;
- Seek out and work with representatives of academia, other critical infrastructures, and international experts to broaden WECC's collective knowledge and awareness of current and unknown risks and strategies to address them;
- Nurture relationships with western industry trade associations, as well as those associations representing technology, affiliated sectors, and end users to understand context and take advantage of their experience and reach; and
- Communicate its work to the right audiences in a timely manner. To maximize its relevance and effectiveness, WECC must communicate key messages and actionable information to decision-makers, including executive leadership and policy and regulatory bodies. This requires WECC to construct its communications in a strategic and targeted manner.

### **Focus Area 4: Seize opportunities for effectiveness, efficiency, and continuous improvement.**

WECC embraces quality, timeliness, efficiency, and consistency of results. WECC recognizes that improving efficiency is essential to mitigating the ongoing cost of business operations. Additionally, increasing operational effectiveness is critical to producing quality work. To that end, WECC understands it must routinely and systematically review major processes to promote excellence and identify and implement improvements. WECC will—

- Ensure it has the capacity (i.e., budget, staff, access to subject matter expertise) to deliver on its reliability and security mission;
- Continuously evaluate budgetary processes and needs to ensure the organization is effectively delivering on its mission;
- Pursue continuous improvements to WECC's business processes and the effectiveness of its stakeholder engagement;
- Establish annual goals for organizational performance and track and share progress through the corporate scorecard; and
- Support ERO Enterprise-wide efforts to improve processes through tools such as Align and the Secure Evidence Locker.

### **Focus Area 5: Build the capability and culture that enable WECC to deliver on its critical reliability mission**

WECC recognizes that it is an intellectual capital business and its success is dependent on attracting and retaining the right talent to deliver on its performance objectives. Organizational health is critical to organizational performance, and a strong culture creates organizational health.

WECC will continue its cultural transformation through resolute focus on achieving its Invented Future—a future in which WECC increases its relevance by building strong and constructive relationships that help it implement risk-based concepts and move the industry to focus on reliability and security, beyond simply complying with the Standards.

As WECC continues to build its technical capabilities and a strong culture, it will be an employer of choice that attracts and retains highly skilled employees who collaborate and focus on reliability rather than process. As WECC produces high-quality, credible, and influential work, it earns the respect of decision-makers as a trusted source of information. Through professionalism and leadership behavior, WECC earns the respect of industry as a valued partner.

To support its cultural growth, WECC will—

- Provide robust leadership training across the organization;
- Encourage innovation and creative problem solving;
- Maintain a high degree of professionalism;





- Incorporate a “breakthrough” approach in work across the organization;
- Develop professionals in both technical and professional skills; and
- Nurture an atmosphere of teamwork and partnership.

## Conclusion

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Electricity is the means by which people access and shape the modern world. It is an inextricable part of the fabric of modern society. WECC is dedicated to strengthening that fabric by assuring the reliability and security of the Western Interconnection, an increasingly complex challenge given the rapidly changing landscape. Navigating this dynamic landscape requires a strong and nimble leader. WECC embraces its role as a leader and welcomes the challenge.

