



Background

Since the first mandatory and enforceable Reliability Standards became effective in 2007, WECC's oversight has continued to adapt as reliability risks change and grid transformation accelerates. Approaches to oversight have changed from generally fixed monitoring scopes and static scheduling of recurring audits to a broader focus on oversight planning that tailors activities based on systemic risk, individual entity inherent risk, entity performance, and maturity of internal controls. Through this focus, WECC's independent role supports reliability and security with its understanding of how well registered entities identify and mitigate their risk. That informs WECC's broader perspective on strengths and weaknesses in approaches to address those risks, and it allows for meaningful partnership with entities through outreach and information sharing.

Registered entities have also continually improved their abilities to develop and sustain operationalized compliance programs that address the purpose of the Reliability Standards. As the grid continues to transform, there are more newly registered entities than ever before. In particular, as more inverter-based resources (IBR) must register and comply with Reliability Standards, WECC's focus on early outreach and partnership related to reliability and security oversight will be essential.

For this technical session, the department-level directors of WECC's Reliability and Security Oversight organization will discuss how WECC fulfills its regulatory function in monitoring and enforcing Reliability Standards. Topics will include WECC's perspective in several areas of oversight:

- How oversight has grown to support risk-informed planning and activities (from registration and compliance monitoring to enforcement activities);
- How oversight is adapting to grid transformation;
- How recent enhancements and focus on program integration promote efficiency (e.g., in addressing enforcement processing backlogs); and
- How oversight continues to integrate program areas to support differentiated experiences for registered entities in proportion to risk and performance.

Members of WECC staff will share their expertise and insights during this technical session:

- Kim Israelsson, Director of Oversight Planning and Analysis
- Deb McEndaffer, Director of Entity Monitoring
- Jimmy Cline, Director of Enforcement and Mitigation

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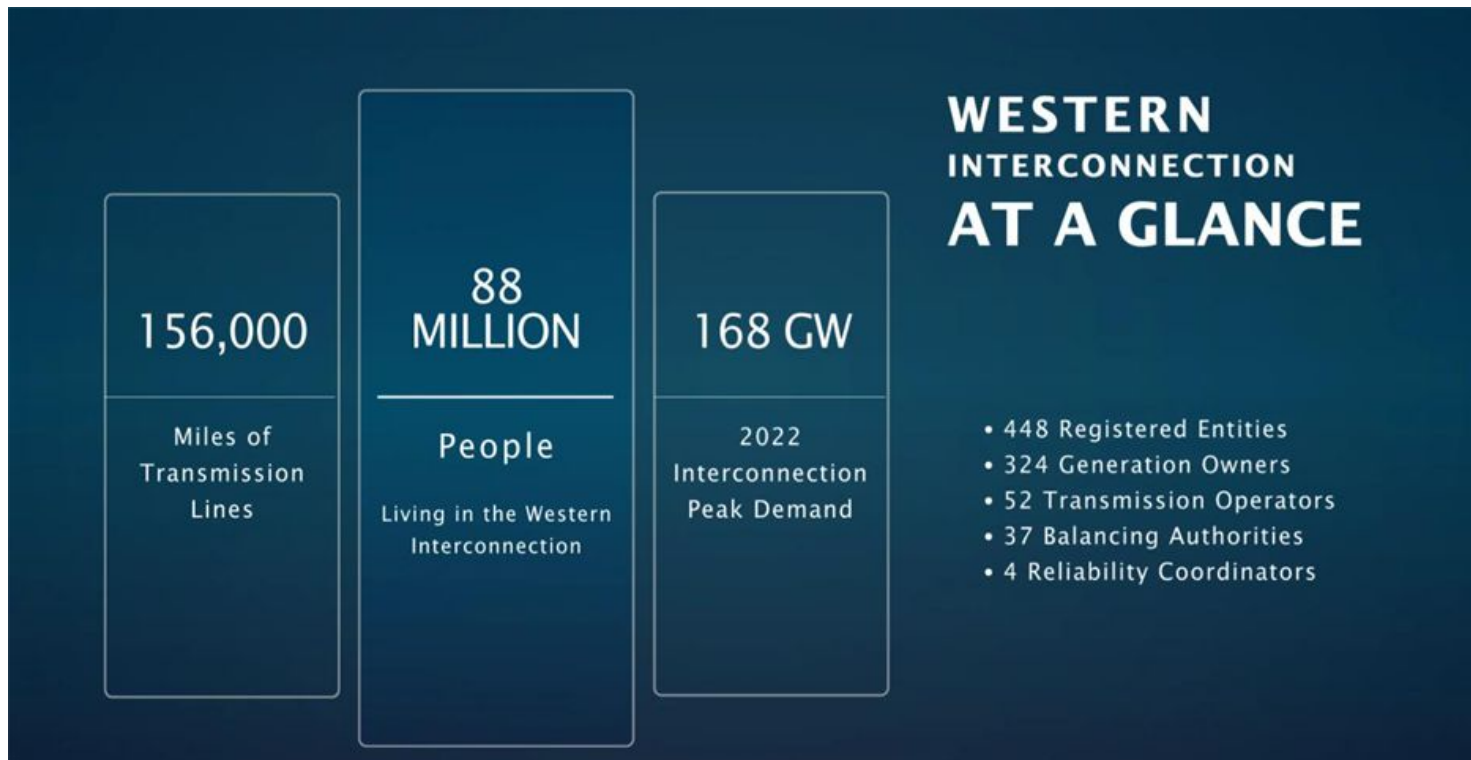
Reliability & Security Oversight Technical Session

March 12, 2024

Steve Noess Kim Israelsson
Jimmy Cline Deb McEndaffer

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Overview



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Reliability & Security Oversight

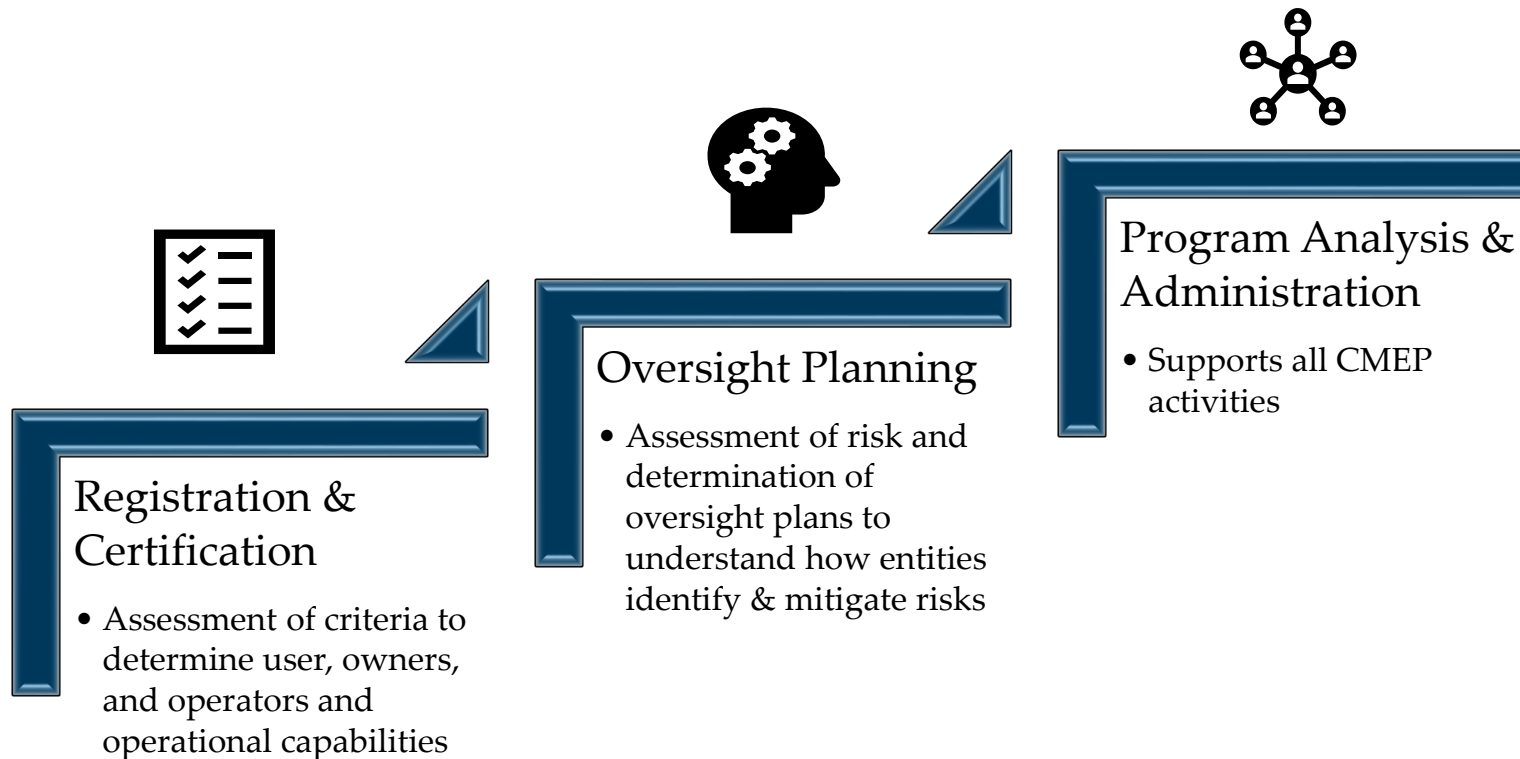
Entity Monitoring—Deb McEndaffer

Enforcement—Jimmy Cline

Oversight Planning & Analysis—Kim Israelsson

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Oversight Planning & Analysis



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Entity Monitoring



- Entity experience and interaction aligned with risk reduction, best practices, and controls
- Responsive to grid transformation
- Partner to understand needs and drive industry action

Entity Monitoring			
High	Medium	Low	Physical Security

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Enforcement



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Self-Logging Enhancements

Candidate Review

Integrated with
Oversight's existing risk
analysis programs

Specific feedback provided
regarding performance

Process

Dedicated self-logging
review and Enforcement
processing team

Expedited processing
timeline

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Enforcement Fundamentals Training



- **Enforcement Fundamentals Training (Complete)**
 - Southern California (November 2023)
 - Northern California (December 2023)
 - Phoenix Area (January 2024)
 - Current Reach: 5 Registered Entities, 30+ Individuals
- **Enforcement Fundamentals Training (Planned)**
 - Salt Lake City, UT (March 25, 2024)
 - Folsom, CA (June 4-5, 2024)
 - Salt Lake City, UT (August 21-22, 2024)
 - Puget Sound (TBD)
 - Portland Area (TBD)
 - Front Range (TBD)
 - Virtual Delivery (3Q2024)

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2024 Enforcement Processing Priorities



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Oversight Evolution

2007–2014

- Annual Actively Monitored List
- Regional Implementation Plans
- Time/interval based

2014–Present

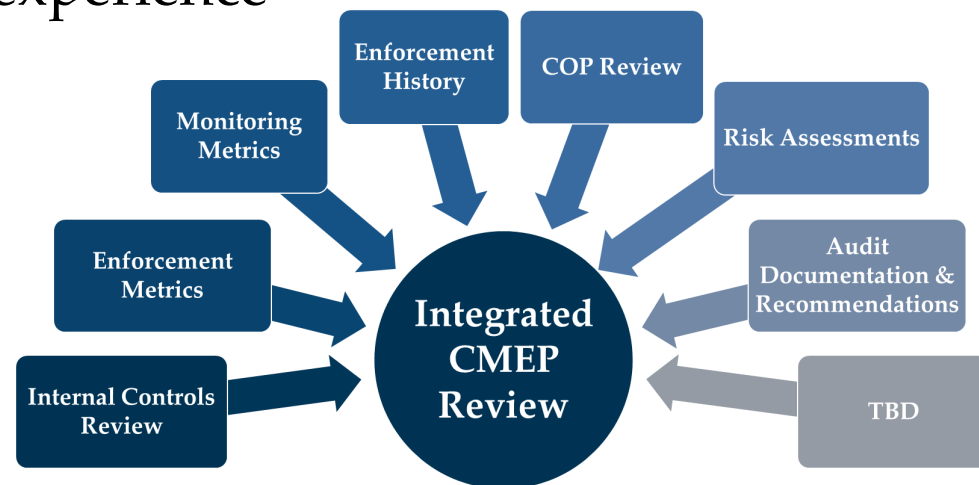
- Risk-based framework
- Inherent Risk Assessment
- Compliance Oversight Plan
- ERO Enterprise Implementation Plan
- Areas of Focus and Risk Elements

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Oversight—Our Vision

We support reliability and security by understanding how well registered entities identify and mitigate their risks.

One Compliance Monitoring and Enforcement Program (CMEP) mindset and experience



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Cold Weather

Strategy

- Developed with cross-functional WECC team with RSO and RPPA staff
- Aligned for risk reduction



Methodology

- Identified primary & secondary risk factors
- Holistic, risk-based approach using tools and skills to address reliability issues



Risk-mitigation Approach

- Developed monitoring and outreach plan
- Actionable approach focused on using resources to partner and address risks

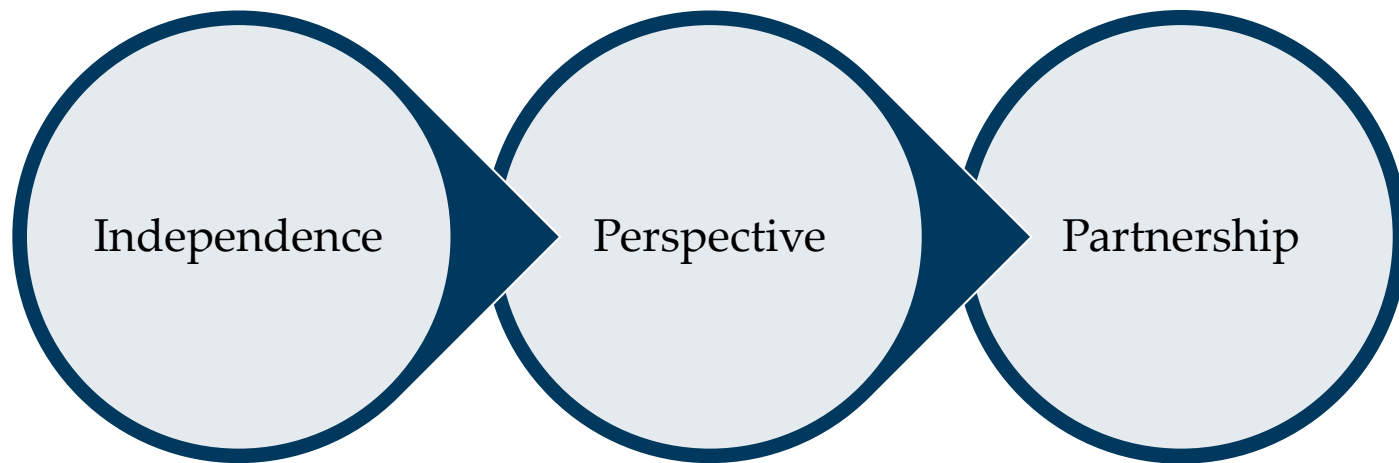
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WECC ISME Program

- Program allowed under NERC's ROPs 403.7
 - “Program Resources” — Use of industry SMEs
- ISME is a volunteer opportunity
- Use of entity SMEs to strengthen the audit engagement
- Best practices sharing opportunity
- See behind the audit curtain...
- Checks and balances for the audited entity

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WECC's Value Proposition



Reliability, Security, and Resilience



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