RELIABILITY & SECURITY

Oversight Monthly Update

April 18, 2024, 2:00 p.m. MT

Reliability & Security Oversight Monthly Update

April 18, 2024

Mailee Cook, Training and Outreach Specialist

RELIABILITY IN THE WEST

A DISCUSSION SERIES

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Antitrust Policy

- All WECC meetings are conducted in accordance with the WECC Antitrust Policy and the NERC Antitrust Compliance Guidelines

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Antitrust Policy

- This webinar is being recorded and will be posted publicly

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- WECC strives to ensure the information presented today is accurate and reflects the views of WECC

- However, all interpretations and positions are subject to change

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Participating
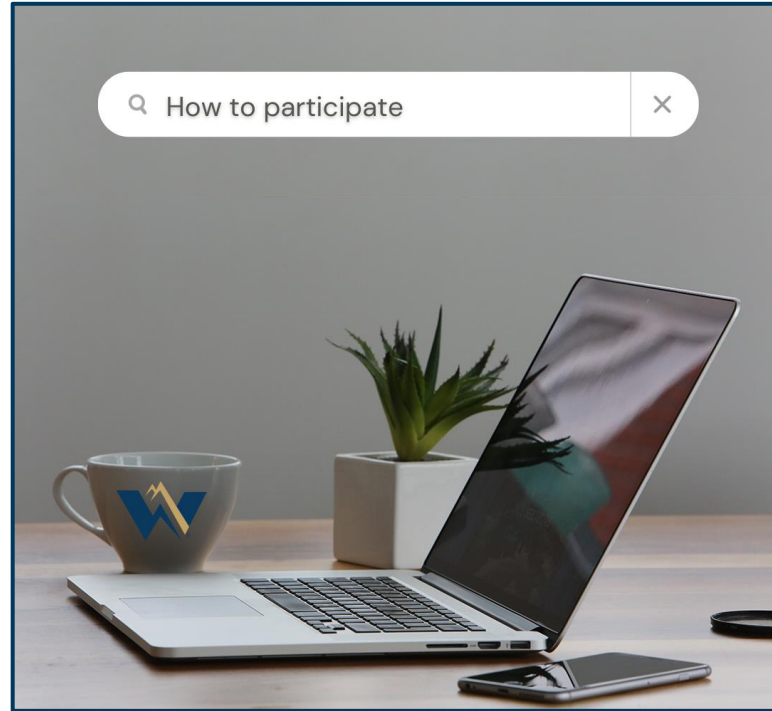
Send questions via chat to WECC Meetings

Use the "raise hand" feature

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Agenda

- Industry Subject Matter Expert (ISME) Program

  - Mailee Cook, Training & Outreach Specialist, WECC

- Risk Management Process and Register

  - Scott Brooksby, Senior Cybersecurity Risk Analyst, WECC

  - Greg Park, Senior Risk Analyst Specialist, WECC

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Industry Subject Matter Expert (ISME) Program

April 18, 2024

Mailee Cook, Training and Outreach Specialist

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What is the ISME Program?

- Program allowed under NERC's ROPs 403.7

  - "Program Resources"—Use of Industry Subject Matter Experts

- ISME is a volunteer opportunity

- Use of your SMEs to strengthen the audit engagement

- Best practices sharing opportunity

- See behind the audit curtain

- Checks and balances for the audited entity

- Following the success of SERC

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What is the ISME Program?

- Application process
  - NERC standards of expertise
  - Background
- Required documentation
  - Application
  - Bio
  - COI & NDA
  - NERC Auditor Training
    - Gathering Quality Evidence
    - Foundations of Auditing

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What is the ISME Program?

- Allowable involvement

  - Evidence review

  - Interviews

  - Daily debriefs

  - Site tours

- Restrictions

  - Cannot call potential findings or offer AOC's and formal Recommendations.

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What is the ISME Program?

- Responsible for…
  - Flights
  - Hotels
  - Meals
  - Rental vehicles
  - Other incidentals

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What Are the Benefits of this Program?

- "Raise all boats"

- Fresh perspectives are beneficial at audit

- Opportunity for ISME growth

- Better prepare ISME/entities for audit

- Industry peer sharing experience and compliance methods

- Industry peer observing all aspects of the audit

Program Development Process

- First ISME participant success

  - Conducted first ISME engagement with SCEC

  - Considered a success and gained interest in expanding to other standards

- WECC goal to expand to other standards

- Internal SharePoint built

  - Houses all applications, ISME profiles, including required documents

- Public-facing application is live!

  - WECC.org > Program Areas > Compliance > United States > Audits > WECC ISME Application Form

  - Once application is submitted, it will be assessed, and ISME program manager will contact you

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Risk Management Process and Register

April 18, 2024

Scott Brooksby
Senior Cybersecurity Risk Analyst

Greg Park
Senior Risk Analyst Specialist

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Introductions

- Greg Park, Senior Risk Analyst Specialist

  - Responsible for operational-based risks

- Scott Brooksby, Senior Cybersecurity Risk Analyst

 - Responsible for cybersecurity and physical security risks

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Agenda

- Risk Management Process

- Risk Register

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What's In it for Me?

- Companion to your own risk assessment work

- Centralized risk statements developed by entities in the Western Interconnection

- Risk assessment process backed by international model

- Understand WECC and regional focus for the future

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ISO 31000 Risk Management Process

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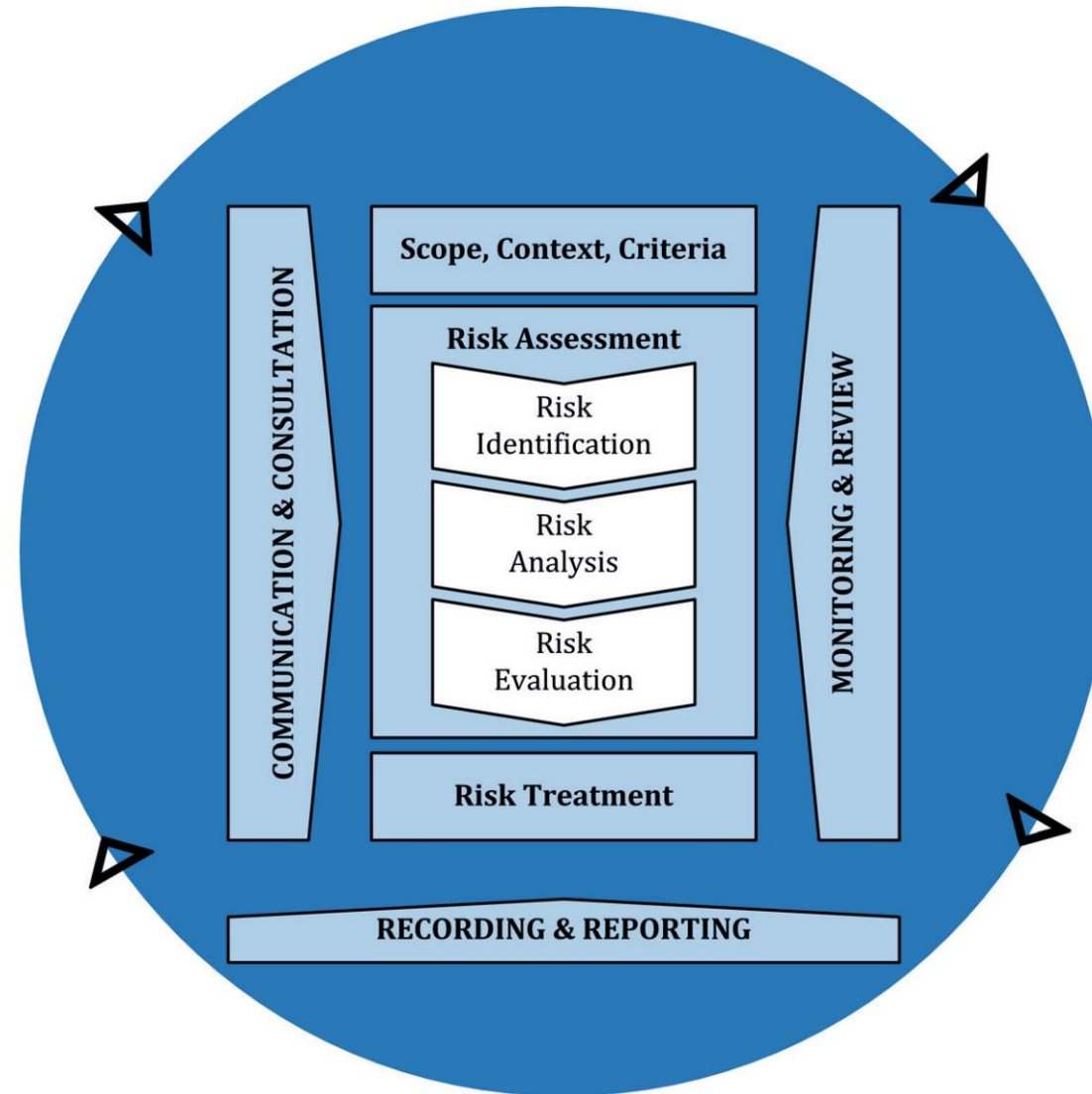
Risk Analysis Overview

Risk analysis:

- Risk Statement:
  - *Condition*
  - *Consequence*
  - *Cause*
- Impact and Likelihood estimate
- Timing of Risk
  - Timing *(1 year, 5 years, 10 years)*
  - Velocity *(time to manifest)*
  - Trending *(increasing/decreasing)*

Reliability Risk Matrix						
Consequence/Impact (C)		Likelihood (L)				
		L1	L2	L3	L4	L5
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain
C5	Severe	Medium	High	High	Extreme	Extreme
C4	Major	Medium	Medium	High	High	Extreme
C3	Moderate	Low	Medium	High	High	High
C2	Minor	Low	Low	Medium	Medium	High
C1	Negligible	Low	Low	Low	Medium	Medium

Consequence/Impact—How could a typical event due to this risk effect BPS Reliability?	
Severe (C5)	Impacts may have widespread effects to the BPS across North America.
Major (C4)	Impacts may have widespread effects to the RC area.
Moderate (C3)	Impacts may have widespread effects to portions of the RC area.
Minor (C2)	Impacts may have effects on the local entity.
Negligible (C1)	Impacts may have small or non-existent effects to the BPS.

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Risk Register

RRC section of WECC.org, under RRC Risk Management Process, found here.

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Risk Register Evolution

- 31 risks identified, 20 under review

- New risk proposals welcome any time

  - [Initiation Form](#) (QR Code ->)

- Treatment plans

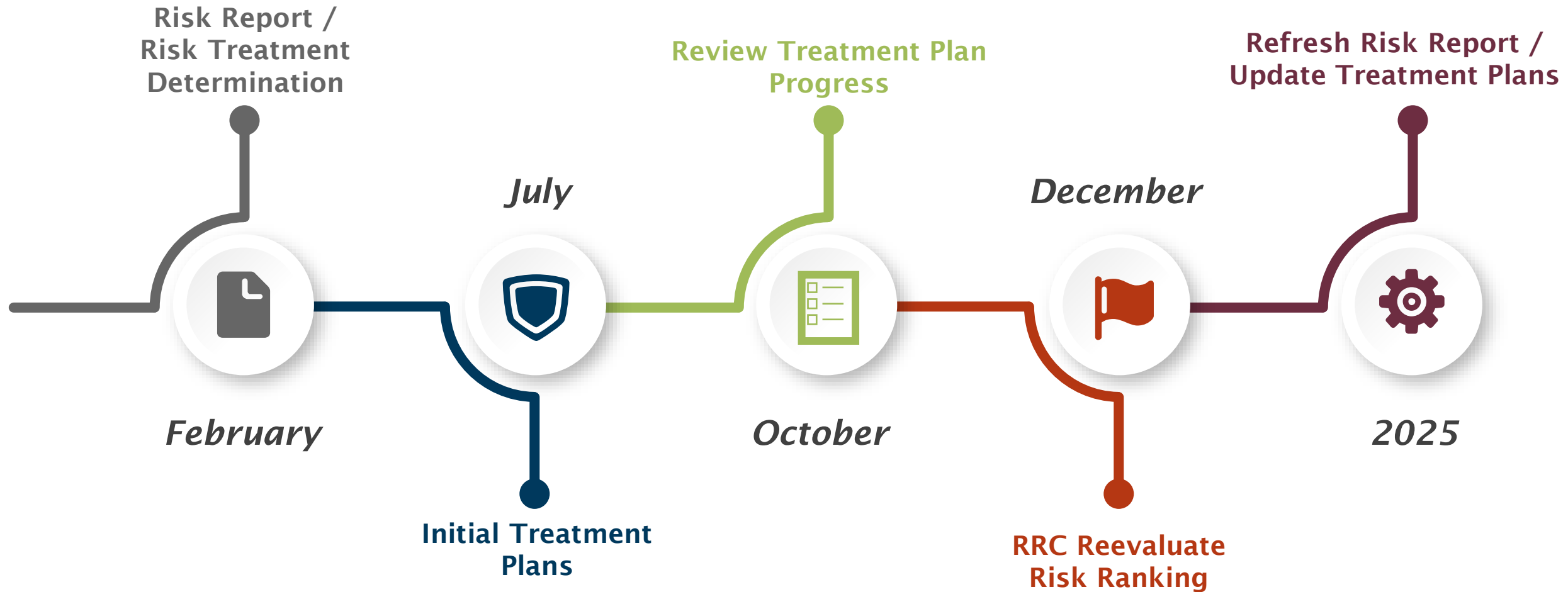- Assess effectiveness

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Risk Appetite (Tolerability)

- Typical appetite: extreme/high must be reduced to medium or lower

- Most risks are debated for mitigation regardless of ranking (this sets an informal appetite)

- RRC can formally or informally determine tolerability

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Risk Treatment Options

- **Accept:** retain the risk by making an informed decision. Taking or increasing the risk to pursue an opportunity. This includes acceptance of the current activities addressing the risk

- **Reduce:** further action is required to remove the risk source; change the likelihood; or change the consequences

- **Transfer:** sharing the risk (e.g., buying insurance, efforts led by others)

- **Avoid:** avoid the risk by deciding not to start or continue with the activity that gives rise to the risk

- **Blank:** further analysis acknowledgement

Four Types of Risk Mitigation

RISK   RISK   RISK   RISK

Accept   Avoid   Transfer   Reduce

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2024 RRC Timeline of Work

**Risk Report /
Risk Treatment
Determination**

**Review Treatment Plan
Progress**

**Refresh Risk Report /
Update Treatment Plans**

July

December

February

October

2025

**Initial Treatment
Plans**

**RRC Reevaluate
Risk Ranking**

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Electric Reliability and Security for the West

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May 16, 2024, 2:00 p.m. MT

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