RELIABILITY
& SECURITY

Workshop - Tempe, Arizona

March 25–26, 2025

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Compliance Oversight Plan Overview

March 26, 2025

WECC

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Takeaways

- What is a typical lifecycle after an entity is registered?

- What is the risk-based CMEP Framework?

- What is and isn't a compliance oversight plan (COP)?

- What are the expectations after receiving the COP?

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COP Philosophy

- Rules of Procedure require us to have "Compliance Audit processes" that are "based on" professional auditing standards

- Risk Assessment is a component of good planning in those standards, and the COP supports that obligation

- Continuous cycle to inform planning and scheduling of compliance monitoring activities

- COPs are how we assess, categorize, and prioritize risks to the BES

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Lifecycle
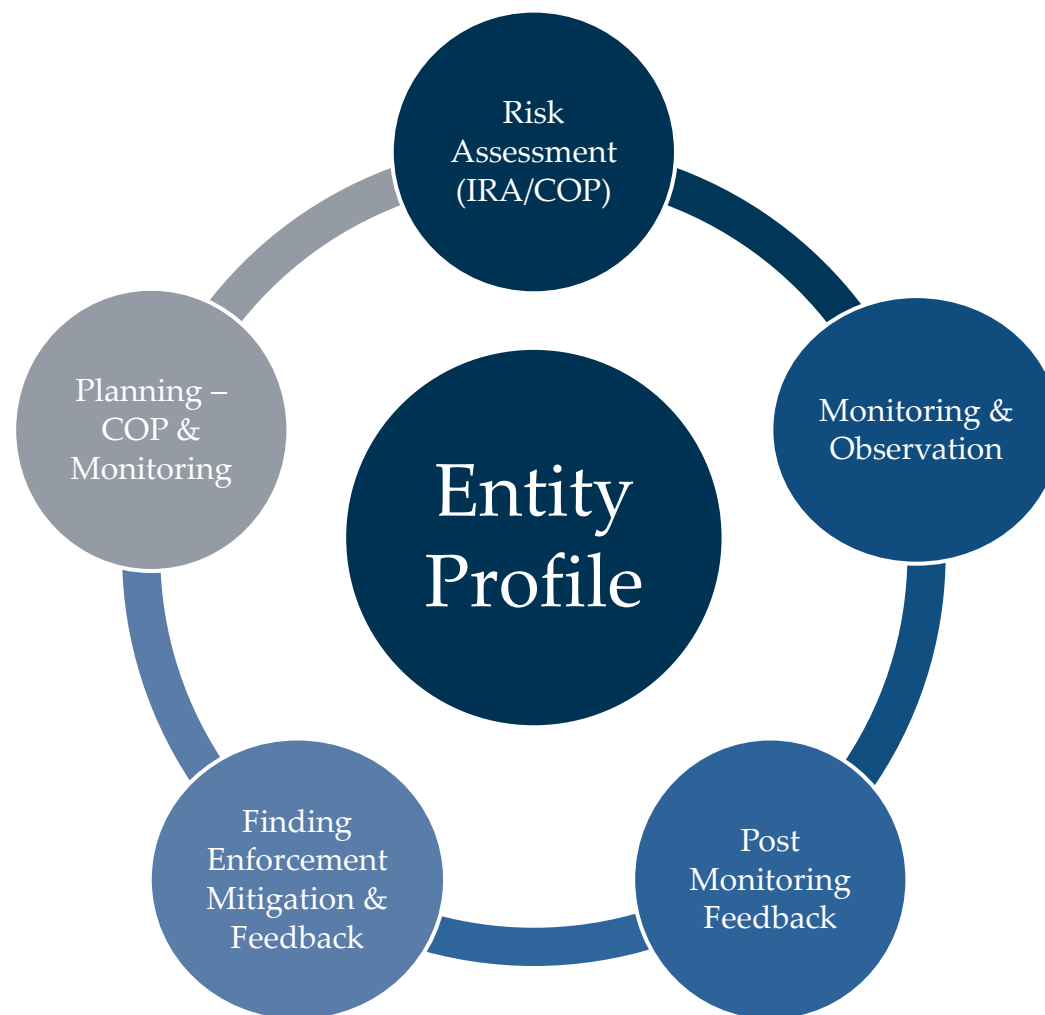
Risk-Based CMEP Framework

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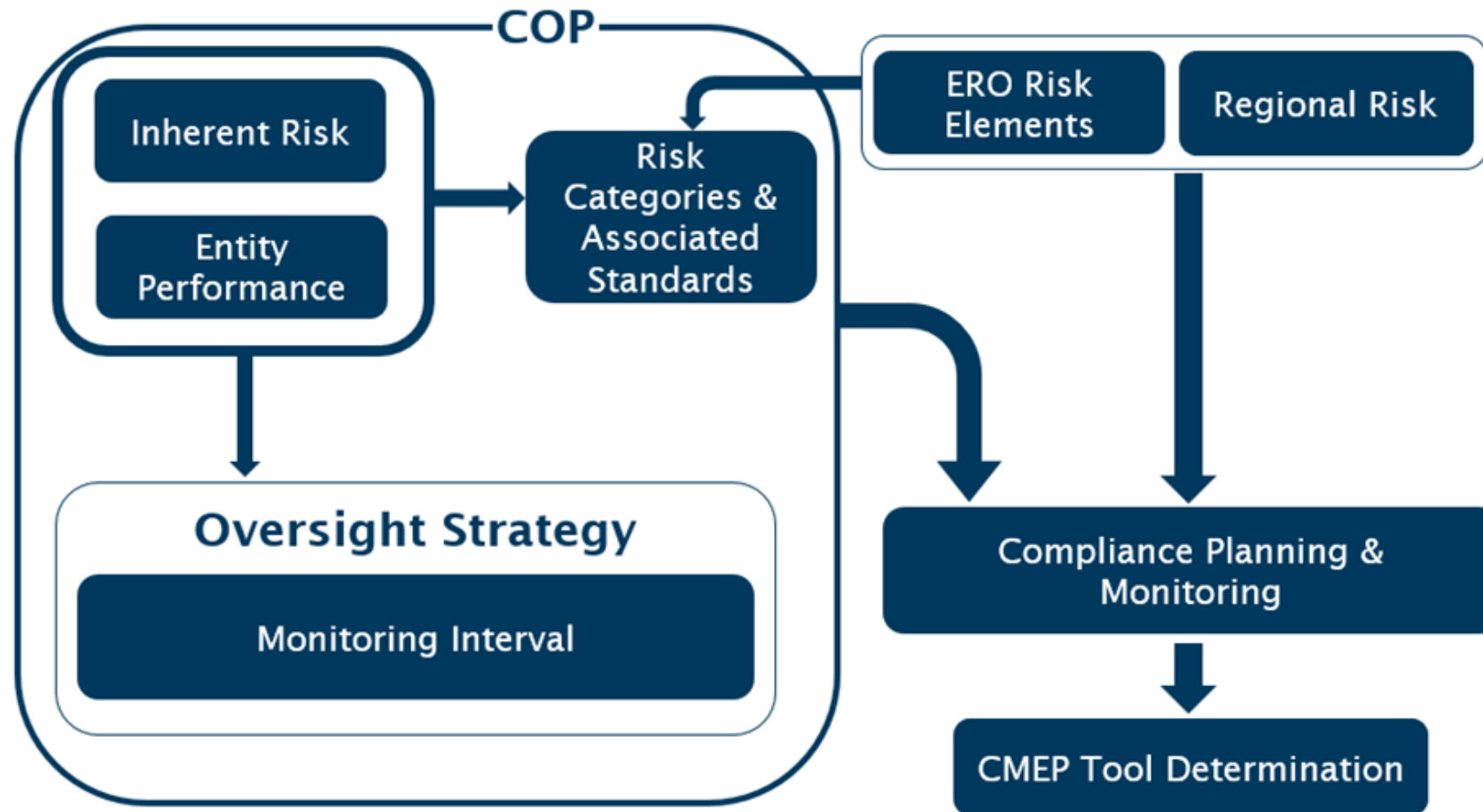
Components of the COP Process

Enhanced Analysis

Inherent & Performance Data

Targeted Oversight

Risk Categories

Prioritized Monitoring

Oversight Strategies

Standards to Risk

Appendix B

COP Report

Common Template

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ERO Risk Categories

- Asset/System Identification
- Entity Coordination
- Identity Management and Access Control
- Emergency Operations Planning
- Operating During Emergencies/Backup and Recovery
- Training

- Asset/System Management and Maintenance
- Asset/System Physical Protection
- Long-term Studies/Assessments
- Operational Studies/Assessments
- Modeling Data
- System Protection
- Normal System Operations

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Monitoring Activity

- Appenidx B ≠ Engagement Scope

- Engagement Planning

- Identification of risk areas

- Engagement objectives and scope

- Practices and controls review

- Engagement feedback

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Risk Management

**Entity actions
that demonstrate:**

- Risk reduction

- Risk avoidance

- Risk transference

- Risk mitigation

Report → Identify → Assess → Manage → Monitor → Report

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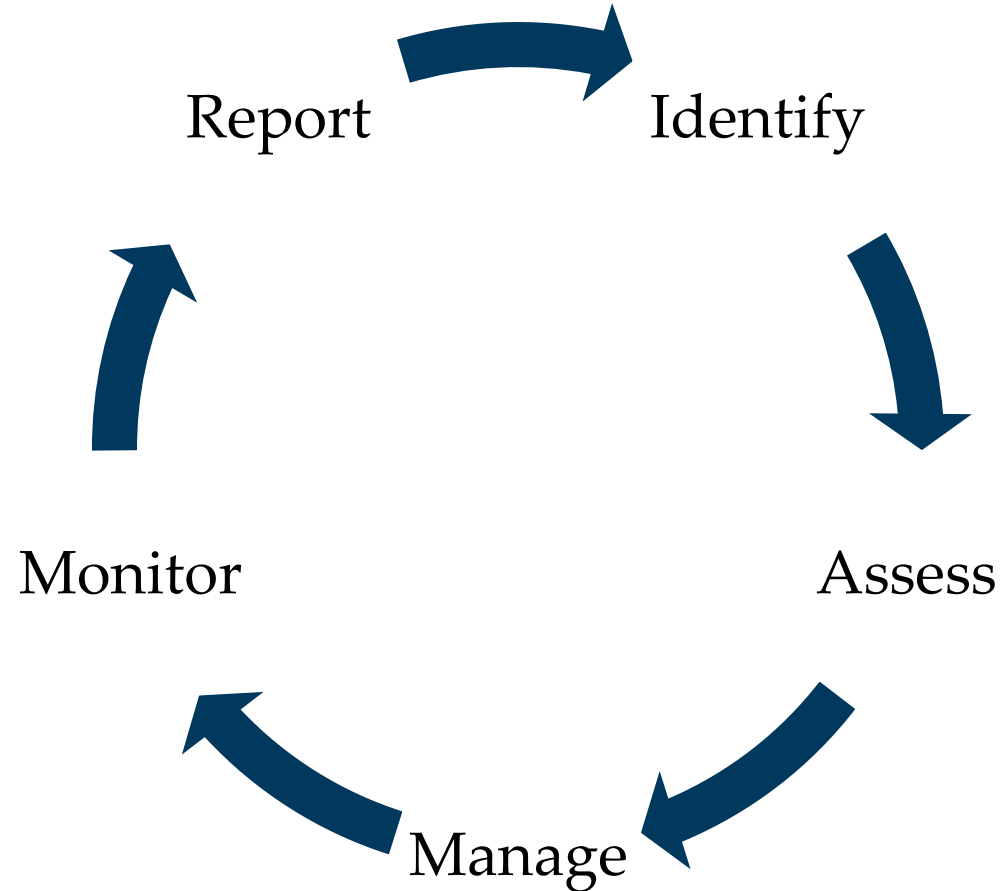
GO/GOP COP

- Low inherent risk

- Expectations

  - Policy, process, procedures to mitigate risk

- Key takeaways

- Operational concerns examples

- Recommendations examples

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RC/BA/TOP COP

- Expectations

  - Policy, process, procedures to mitigate risk

- Key takeaways

- Operational concerns examples

- Recommendations examples

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Next Steps/Opportunities

- Receiving a COP report should not be an endpoint for engagement with the entity; it should be a starting point

  - Self-risk assessment

  - SME engagement

  - Peer and third-party reviews

  - Controls maturity

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