

Inherent Risk Assessment Summary Report

Entity Name
Registered Functions Assessed
NCR####

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SAMPLE

1.0 Purpose

Regional Entities perform an Inherent Risk Assessment (IRA) of a registered entity to identify areas of focus and the level of effort needed to monitor that registered entity's compliance with selected NERC Reliability Standards applicable to that entity's registered functions. Regional Entities follow the process described in the *ERO Enterprise Guide for Compliance Monitoring* to assess inherent risk of registered entities, and the guide serves as a common approach for the North American Electric Reliability Corporation (NERC) and the eight Regional Entities for implementing and performing an IRA.¹ As directed by the guide, all Regional Entities share summary IRA results with the registered entity. IRA results shared with the registered entity include risk areas identified using risk factors and assessment criteria and associated NERC Reliability Standards and Requirements.

This assessment was conducted solely to identify areas of focus and the level of effort needed to monitor compliance with enforceable NERC Reliability Standards applicable to the registered entity assessed.

The results of the IRA process does not change any obligation for a registered entity to be compliant with all NERC Reliability Standards applicable to the registered entity's function(s). While the IRA process intends to inform the scope of the ERO Enterprise's compliance oversight plan for a particular registered entity, the IRA should not be interpreted as a limitation to ERO Enterprise authority under the NERC Rules of Procedure to conduct any compliance monitoring activities as the ERO Enterprise may determine is appropriate. As noted within the ERO Enterprise Guide for Compliance Monitoring, Regional Entities may revise the IRA results at any time. A revision is more likely to occur if a registered entity experiences significant changes, new compliance responsibilities, or new reliability risks emerge. Changes to the IRA could impact the registered entity COP.

2.0 IRA Considerations

In this section, WECC will document a high-level overview of the Registered Entity and summarize entity attributes that were considered during the IRA process.

3.0 IRA Results Summary

The table below identifies the IRA summary results that includes risk factors and assessments made by the Regional Entity. "Risk," within the context of the IRA process, refers to the registered entity's unique, inherent risks to the reliability of the Bulk Power System, which is assessed to determine the appropriate level of focus for monitoring of a specific registered entity.

Table 1 below identifies inherent risk by risk factors and assessment criteria of high, medium, or low based on predetermined criteria within the *ERO Enterprise Guide for Compliance Monitoring*, Appendix B. Included within Table 1 is Regional Entity justification or explanations supporting for risk determinations.

¹ ERO Enterprise Guide for Compliance Monitoring located here:

<http://www.nerc.com/pa/comp/Reliability%20Assurance%20Initiative/ERO%20Enterprise%20Guide%20for%20Compliance%20Monitoring.pdf>

Table 2 identifies the NERC Reliability Standards and Requirements associated with the IRA.

Table 1. IRA Risk Factor Assessment Table		
Risk Factor/Subcategory	Risk Assessment (High, Medium, Low)	Explanation

Table 2. Associated NERC Reliability Standards and Requirements for Monitoring		
Standard	Requirement	Applicable Functions