

## Media Release

### NERC Announces New Enforcement Initiative

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**WASHINGTON, DC** – The North American Electric Reliability Corporation announced a new initiative for processing violations of Reliability Standards at its quarterly board meeting in Vancouver. The initiative complements other efforts already underway at NERC.

After five years as the electric reliability organization, NERC recognizes that treating all compliance violations with equal weight is not the best way to ensure the reliability of the grid. The new enforcement process is designed to refocus efforts on reliability excellence, eliminate undue regulatory burdens, streamline paperwork requirements, increase caseload processing, and encourage continued timely and thorough self-reporting and mitigation.

“Process should evolve as experience evolves,” said Gerry Cauley, president and chief executive officer at NERC. “This new enforcement process allows us to do our job as the ERO more efficiently and effectively. A mature ERO must use the tools available to focus on issues that pose the greatest risk to reliability.”

The new process differentiates issues of noncompliance based on the level of potential risk to the reliability of the bulk power system. All instances of noncompliance will continue to be identified and mitigated. Issues that pose a more serious risk to the reliability of the bulk power system will be filed at the Federal Energy Regulatory Commission on a monthly basis in a further streamlined spreadsheet Notice of Penalty format. Matters that pose a low risk to reliability will be processed on a “find, fix, track and report” spreadsheet that will be submitted on a monthly basis to FERC.

“The ‘find, fix, track and report’ process recognizes the experience of the Regional Entities and NERC in assessing violations and builds on the success of

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Abbreviated Notices of Penalty and the Administrative Citation Notice of Penalty Process,” said Rebecca Michael, associate general counsel and acting director of enforcement at NERC. The new process changes the manner in which potential non-compliance issues are handled, not the fact that they occur. In all cases, Regional Entities will track and report all issues of concern identified. All instances must be mitigated – regardless of the risk level.

The new enforcement process, which will begin with an initial filing at FERC in September, will improve reliability and risk management by improving the way NERC identifies and processes compliance issues. NERC remains committed to ensuring reliability by maintaining accountability for all stakeholders in the compliance enforcement process.

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*The North American Electric Reliability Corporation’s mission is to ensure the reliability of the North American bulk power system. NERC is the electric reliability organization (ERO) certified by the Federal Energy Regulatory Commission to establish and enforce reliability standards for the bulk-power system. NERC has equivalent relationships with provincial and federal authorities in Canada. NERC develops and enforces reliability standards; assesses adequacy annually via a 10-year forecast, and summer and winter forecasts; monitors the bulk power system; and educates, trains and certifies industry personnel. Learn more at [www.nerc.com](http://www.nerc.com)*