

ASSURING COMPLIANCE

NERC RELIABILITY STANDARDS

CHALLENGE

COMPLIANCE AND AUDIT READINESS

SOLUTION

For an owner of major transmission facilities in the western U.S., Navigant developed an internal compliance program and an annual work plan to implement and administer the program. Among other things, the work plan called for internal reviews of applicable requirements and participation in standards development activities. Our experts developed an approach for the client's internal reviews of the Reliability Standards and the applicable requirements, scoring the entity's initial level of compliance and developing a prioritized list of action items necessary to achieve and demonstrate compliance. Our team represented the client in all interactions with a Regional Entity during an off-site compliance audit, regularly prepared reports for the client's senior management, and provided advice covering the broad range of compliance activities. Navigant has also assisted smaller Registered Entities in the western United States, and assisted a city in California with the identification of reliability standards that would become applicable with additional NERC Functional Model registrations, and recommended an approach for compliance documentation maintenance and presentation.

CHALLENGE

COMPLIANCE AND AUDIT READINESS

SOLUTION

For a major Northeast Transmission and Generation Owner, Navigant created an internal compliance program, developed implementation and training plans and materials, conducted pre-audit reviews and worked with the client to select and implement a compliance software suite enabling the entity to track its compliance obligations and history. Because this organization was also subject to stricter regional standards with additional reporting requirements, the compliance program included additional components to address related concerns. Our experts also developed compliance and internal certification protocols to support required certifications to the Regional Entity and others, and assisted with entity de-registration with respect to functions that were no longer the responsibility of this organization. We further assisted our client with audit preparation for FERC Order No. 693 and FERC Order No. 706 Standards, addressing all applicable operational and cyber security standards, in addition to several post audit compliance activities.

CHALLENGE

ENSURE EFFECTIVE COMPLIANCE ENFORCEMENT STRUCTURE

SOLUTION

Navigant assisted a northeast Regional Entity in developing comments on the structure of the ERO and its relationship with the Regional Entities, and in gaining state recognition for its more stringent regionally-specific reliability criteria. We also reviewed the implementation of its Regional Delegation Agreement (RDA) with NERC to ensure the various procedures and processes for Regional Standards Development and Reliability Standards Compliance and Enforcement used by the Regional Entity meet the requirements for consistency and effectiveness under the RDA.



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OUR EXPERTS IN THE SPOTLIGHT

Recently, Navigant reliability compliance expert, Celia David, co-authored a guidebook on NERC Mandatory Electric Reliability Compliance entitled NERC and Mandatory Electric Reliability Compliance, published by LexisNexis Mathew Bender in March, 2011. This guidebook is designed to assist registered entities and their counsel in understanding compliance obligations and the compliance monitoring and enforcement process.

SERVICES

Navigant helps our clients become familiar with and comply with NERC reliability standards, as well as the compliance and enforcement regime, by helping them:

- » Understand the NERC compliance process through structured training and awareness programs
- » Achieve NERC Functional Model entity registration and de-registration
- » Determine the applicability of reliability standards to their particular organization
- » Establish an effective internal compliance organization, inclusive of determining staffing targets and establishing interfaces with other corporate compliance activities
- » Develop an effective internal compliance program with policies and procedures that promote continued compliance
- » Evaluate compliance through internal reliability compliance audits and compliance gap analyses
- » Prepare for NERC audits, including responses to auditor interrogatories
- » Mitigate violations and penalties through self-reporting and the development and implementation of mitigation plans
- » Address issues of non-compliance through negotiations with NERC and Regional Entities

ABOUT NAVIGANT CONSULTING

Navigant (NYSE: NCI) is a specialized, global expert services firm dedicated to assisting clients in creating and protecting value in the face of critical business risks and opportunities. Through senior level engagement with clients, Navigant professionals combine technical expertise in Disputes and Investigations, Economics, Financial Advisory and Management Consulting, with business pragmatism in the highly regulated Construction, Energy, Financial Services and Healthcare industries to support clients in addressing their most critical business needs. More information about Navigant can be found at www.navigant.com.

