

SOUTHWESTERN FEDERAL HYDROPOWER CONFERENCE

CORPS OF ENGINEERS SOUTHWEST REGION NERC ACTIVITIES

COE Status of NERC Background

- **2005 – Energy Policy Act Passed**
- **March 2007 - Final ruling for mandatory Reliability Standards**
- **May 2007 - HQUSACE establishes National Project Delivery Team to Develop Corporate approach to Reliability Standards (ACE-CME)**
- **June 2007 - Reliability Standards Effective**

COE Status of NERC Initial Development

- **New ER and EP Developed.**
- **Individual Districts are working with RE with compliance certifications and mitigations**
- **Regional Compliance Team Initiated**
- **ER and EP - Awaiting final approval**

Southwest Regional Compliance Team

- **Kansas City District**
- **Tulsa District**
- **Vicksburg District**
- **Little Rock District**
- **Fort Worth District**
- **St Louis District**
- **SPA**
- **SWD**
- **NWD**
- **MVD**

Pete Hentschel
Rod Shank
Dusty Wilson
Mark Dixson
Terry Bachim
Sandra Spence
Gary Cox
Sherman Jones
Karl Bryan
Jeff Artman

COE Status of NERC Compliance

- **Current Level of USACE compliance varies per District. Dec 2008**
- **63% Operational Compliant - Overall**
- **40% Auditable Compliant - Overall**
- **Degree of Compliance depends on District Resources and Funding**
- **GO, GOP and TOP Standards - Some District are not considered Transmission Operators**

COE Status of NERC Compliance

- **Southwest Region Compliance Status**

56% Operational Compliant

23% Auditable Compliant

Continued Improvement in Compliance with Standards

Budgeting for Compliance

- Funding approved for FY09, FY10
- Standards enforcement unknown - How to budget – Modeling ?????
- CIP implementation Costs ?????
- 2 year budget cycle leads to inaccurate budget requests

Where Are We Going ?

- **Implementation - Phase I**
- **Compliance Program Development – Completed**
- **Compliance Program Field Review - Completed**
- **Compliance Program Approval - In process**

Implementation Phase II

- **Delegation of Regional Compliance Program Administrator (RCPA)**
- **Delegation of Regional Compliance Program Manager (RCPM)**
- **Stand-Up District Compliance Teams**
- **Stand-Up Regional Compliance, Monitoring and Enforcement Units**
- **Stand-Up USACE CMEU Board of Directors**
- **Stand-Up USACE Compliance Oversight Committee**

Implementation Phase III

- **Detailed USACE Compliance Survey**
- **RCMEU Draft Policies and Procedures**
- **Compliance Data Storage database**
- **Annual Compliance Reports**

Implementation Phase IV

- **Formalized standard Policies and Procedures**
- **Formalize/Refine Data Storage Requirements**
- **Internal Compliance Monitoring**

SECURITY STANDARDS

CIP and DIACAP Standards

Cyber Security

Physical Security

CIP 002-CIP-009 Based on Critical Security Asset

DIACAP AR 25-2 Mandatory

Resources

- * **Dedicated NERC RCPM**
70-100% Man-year
- **Cyber Security IASO**
(CIP and DIACAP)
Shared Resource - Full Time Position
- **Added Duties to Operations Personnel**
- **Outside Contracts**
System Modeling, Etc.

Summary

- * **USACE ER and EP still being reviewed**
- * **Individual Districts are moving forward with implementation**
- * **RCMEU Established - Consistency**
- **District Policies are dynamic (living document)**
- **Future Standards and Effort Unknown**

USACE NERC COMPLIANCE STATUS

Questions ?

USACE Compliance Program

- * **USACE owns and operates hydropower generation facilities.**
- * **USACE agreed to Compliance on a Voluntary Basis USACE not subject to fines**
- * **USACE shall establish a formal organized program**
- * **Compliance Depends on Funding and Resources**

Roles and Responsibilities

- * **USACE owns and operates hydropower generation facilities.**
- * **USACE agreed to Compliance on a Voluntary Basis USACE not subject to fines**
- * **USACE shall establish a formal organized program**
- * **Compliance Depends on Funding and Resources**

Roles and Responsibilities

**RCPA – Regional Compliance Program
Administrator**

**RCPM - Regional Compliance Program
Manager**

**DIRECT – District Implemented
Reliability Compliance Team**

**RCMEU – Regional Compliance,
Monitoring and Enforcement Unit**

Roles and Responsibilities

**HQUSACE ACE-CME Program
Oversight Committee**

**Compliance Monitoring and
Enforcement Unit Board of
Directors**

Roles and Responsibilities

RCPA – Regional Compliance Program Administrator

- Sign compliance program documents that require Executive Signature.
- Provide clear policy statements regarding compliance.
- Appoint a Reliability Compliance Program Manager (RCPM).
- Allocate necessary resources, to the extent resources are available, to ensure compliance.
- Monitor activities regarding compliance issues.

Roles and Responsibilities

RCPM – Regional Compliance Program Manager

- **Serve as a member of the RCMEU.**
- **Manage the District's compliance program.**
- **Report and coordinate compliance activities to the RCPA, District and RCMEU**
- **Ensure the development and monitoring of mitigation and/or corrective actions plans.**
- **Assist in developing cost estimates for compliance related activities and provide budget information and data to Hydropower BLMs and others.**

Roles and Responsibilities

RCPM – Regional Compliance Program Manager

- Communication with RCPA, RRO, PMAs, project, CMEU, etc.,
- Develop mitigations plans File mitigation plans with RRO
- Monitor progress on mitigation plans
- Report mitigation plan status to RRO
- Monitor district compliance
- Perform internal districts audits
- Point of contact for RRO audits
- Point of contact with other Registered Entities
- Assist in developing district compliance policies and procedures
- Develop delegation agreements with PMA, BA, RC, etc.

Roles and Responsibilities

District Implementation Reliability Compliance Team (DIRECT).

Develop, review and implement standard operating procedures to support compliance and training needs for management and hydropower employees.

Provide input to the RCMEU and district in developing, recommending and reviewing compliance policies and procedures.

Develop memorandums of agreement/understanding and coordinate responses to RROs, PMAs, Utilities, etc.

Roles and Responsibilities

District Implementation Reliability Compliance Team (DIRECT).

- Identify the Responsible Individual (RI) required to provide the data and/or documentation necessary to show compliance with each applicable Reliability Standard including.
- Continuously monitor and track the district's current level of percent operational and auditable compliance.
- Develop a tracking process for RRO and NERC communications

Roles and Responsibilities

- **District Implementation Reliability Compliance Team (DIRECT).**
 - Develop compliance reports for RCPM's submittal.
 - Monitor the state of the District's compliance program. The RCPM should monitor district performance to ensure that USACE established internal compliance policies and procedures are being followed.
 - Participate in appropriate RRO Activities (Compliance Workshops, reliability standard development and review, etc.).

Roles and Responsibilities

- **District Implementation Reliability Compliance Team (DIRECT).**
- Develop a tracking process for RRO and NERC communications.
- Store compliance data and documentation in accordance with USACE Compliance Data storage requirements.
- Coordinate with the Power Review Team as necessary to ensure compliance.
- Conduct periodic district level compliance audits.

Roles and Responsibilities

- **District Implementation Reliability Compliance Team (DIRECT).**
- Shall facilitate the implementation of a district level compliance program in accordance with the goals and guide lines of the USACE corporate ACE-CME Program and RCMEU-prepared compliance policies and procedures.

Roles and Responsibilities

- **Regional Compliance and Enforcement Unit**
 - Three Regions within COE
 - Southeast Region
 - Southwest Region
 - Western Area Region

Roles and Responsibilities

- **RCMEU's shall be regional teams with sufficient authority and independence to access the applicable areas of the USACE Hydropower operations and maintenance programs to ensure intra-regional compliance.**

Roles and Responsibilities

- **Each RCMEU shall consist of and have representation from the following USACE major commands and elements:**
 - **All RCPM's within the region.**
 - **MSC Representation from within the region**
 - **Hydropower Project Level Representation – One Representative per RCPM (i.e., Project)**
 - **PMA Representation (Note: Each PMA will be extended an open invitation to participate in the respective USACE RCMEU).**

Roles and Responsibilities

- **The members of each RCMEU shall elect a Chair. This person shall serve as the regional representative on the CMEU Board of Directors. Each Chair shall serve a staggered three year term as scheduled by the CMEU Board of Directors.**

Roles and Responsibilities

- **Each RCMEU shall:**
 - **Complete an annual regional compliance status report and submit to the CMEU Board of Directors on or before 1 NOV of each year. The time frame for this report shall be based on the previous FY.**
 - **Monitor compliance processes and procedures for consistency across all major command elements (e.g., MSC and Districts) within its region.**
 - **Schedule and conduct district compliance audits and compliance spot checks.**

Roles and Responsibilities

- **Develop, review, and implement Memorandums of Understanding (MOU) and Memorandums of Agreements (MOA) with the respective PMA and other Registered Entities to support compliance.**
- **Support the CMEU Board of Directors.**
- **Develop, review, and implement standard operating procedures to support compliance across all major command elements (e.g., MSC and Districts) within its region.**

Roles and Responsibilities

- **Review and monitor BES Reliability Standards, requirements and measures.**
- **If requested, assist the RCPMs in performing district level and RRO audits.**
- **Develop a unified ACE-CME plan to be utilized and adopted by all major command elements (e.g., MSC and Districts) within its region.**

Roles and Responsibilities

- **Assist RCPMs and district in developing, recommending and reviewing compliance policies and procedures.**
- **Participate in appropriate NERC Activities**
- **Continuously monitor and track the current level of percent operational and auditable compliance of all major command elements (e.g., MSC and Districts) within its region.**

Roles and Responsibilities

- **Develop a tracking process for RRO and NERC communications.**
- **RCMEU will coordinate with the Power Review Team as necessary to ensure compliance.**
- **Review Reliability Standards for applicability.**

Roles and Responsibilities

RCMEU shall develop typical compliance policies and procedures, which will guide the Divisions/Districts in the development of individual compliance plans. In general this will include:

- **Standing Operating Procedures**
- **Internal and external communication plan**
- **Mitigation Plan**
- **Self Reporting**

Roles and Responsibilities

- **Compliance Documentation and Control**
- **Compliance Data Storage**
- **Compliance Training**
- **Internal Compliance Monitoring and Audit Plan**
- **Internal arbitration and dispute resolution**
- **Determine current level of regional percent compliance**

Roles and Responsibilities

- * **Business Line Managers**
- * **Power Plant Managers/Superintendents**
- * **System Protection Test Engineers**
- * **Power Plant Controllers**
- **Maintenance Personnel**
- **Reservoir Control**

Roles and Responsibilities

Questions - ??????