



NORTHEAST POWER COORDINATING COUNCIL, INC.
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NPCC COMPLIANCE REPORT

4th Quarter 2017



Introduction

Northeast Power Coordinating Council, Inc. (“NPCC”) is a not-for-profit corporation responsible for promoting and improving the reliability of the international, interconnected bulk power systems in Northeastern North America. NPCC, among other activities, assesses compliance and conducts enforcement of continent-wide and Regional Reliability Standards. Such compliance monitoring and enforcement activities carried out by NPCC are designed to be executed in a fair and non-discriminatory manner utilizing due process. It is NPCC’s objective to monitor and enforce Reliability Standards with consistency, fairness, and timeliness.

This report describes the Compliance Monitoring and Enforcement and Organization Registration and Certification Program (“CORC”) Program activity carried out during the 4th quarter of 2017.

Registration

NPCC processed 12 registration changes in Q4 2017. These 12 registration changes included:

- A new function for an existing registered entity,
- A delisting of 3 NCR’s from the registry
- The addition of 7 new NCRs to the registry
- One name change.

As of December 31, 2017, there were 210 entities registered with NPCC, performing 444 functions. A breakdown of the number of entities performing each function is shown in the table below.

Certification

NPCC has one certification scheduled for 2018.

Entity Risk Assessment

NPCC performed 42 IRAs and 8 ICEs in 2017. NPCC has 54 O&P IRAs and 8 CIP and O&P ICEs scheduled for 2018.

Compliance Monitoring

NPCC completed 45 offsite audits/spot checks in 2017, which included 34 O&P monitoring engagements and 11 CIP monitoring engagements. NPCC completed 8 onsite O&P audits and 12 onsite CIP audits in 2017. NPCC completed 170 guided self-certifications in 2017.

In 2018, NPCC has 64 offsite audits/spot checks scheduled, which include 50 O&P monitoring engagements and 14 CIP monitoring engagements. NPCC has 4 off site O&P audits and 5 off-site CIP audits scheduled for 2018. NPCC has 143 guided self-certifications scheduled for 2018.

The [NPCC 2018 Compliance Monitoring List](#) (i.e. audit schedule) was posted on November 20, 2017.

Enforcement and Mitigation

There were 241 new non-compliances discovered by NPCC in 2017. Of these, 125 were CIP non-compliances and 116 were O&P non-compliances (all jurisdictions).

In total, for 2017, NPCC provided to NERC for posting 47 Compliance Exceptions and three (3) FFTs in Calendar Year 2017. In the Canadian jurisdictions, NPCC completed the processing for twenty-eight (28) non-compliances in 2017.

Outreach

On October 10, 2017, NPCC presented an overview of the implementation of the Risk Based CMEP in NPCC at the North American Generator Forum (NAGF) Annual Meeting in Atlanta.

On November 7, 2017, NPCC conducted an Introduction to NPCC 101 Class. This introductory class provided basic information about NPCC, registration, certification, and CMEP activities to those new to NPCC and/or compliance with NERC Reliability Standards.

On November 7-9, 2017, NPCC conducted its Fall workshop in Hartford, Connecticut. The workshop was attended by over 150 stakeholders and included updates and pertinent information on various Compliance Monitoring, Enforcement, Entity Risk Assessment, Events Analysis, Reliability Standards, and Criteria Services activities by NPCC staff. It also included a presentation by FERC staff on FERC activities, presentations by NERC staff, and various other presentation by NPCC registered entities and NPCC members.

Planning and other activities

NPCC finalized the development of the [2018 NPCC Regional CMEP Implementation Plan](#), which was included as Appendix A3 to the [2018 ERO Enterprise CMEP Implementation Plan](#). NPCC will implement this plan on the registered entities in the Northeastern United States, Nova Scotia, and Ontario.

NPCC finalized the development of the [2018 Québec Implementation Plan](#), which was approved by the Régie de l'énergie on December 1, 2016.

NPCC provided comment on the [New Brunswick 2018 Annual Implementation Plan](#), which was approved by the New Brunswick Energy and Utilities Board.

Regulatory Updates

On October 19, 2017, FERC issued a NOPR proposing to approve CIP 003-7 (Cyber Security - Security Management Controls). CIP-003-7 would clarify obligations that pertain to electronic access control for low-impact cyber systems; adopt mandatory security controls for transient electronic devices, such as thumb drives and laptop computers; and require responsible entities to have a policy for declaring and responding to CIP exceptional circumstances related to low-impact cyber systems.

On November 16, 2017, FERC issued a NOPR proposing to approve PRC-027-1 (Coordination of Protection Systems for Performance During Faults) and PER-006-1 (Specific Training for Personnel). PRC-027-1 is intended to maintain the coordination of protection systems installed to detect and isolate faults on bulk electric system elements, such that those protection systems operate in the intended sequence during faults. Reliability Standard PER-006-1 is intended to ensure that personnel are trained on specific topics essential to reliability to perform or support real-time operations of the bulk electric system.

On November 16, 2017, FERC issued an order denying NERC's two requested changes to the Compliance Monitoring and Enforcement Program ("CMEP").

On December 21, 2017, FERC issued a draft NOPR on Cyber Security Incident Reporting.