



NORTHEAST POWER COORDINATING COUNCIL, INC.
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Approved by the Board of Directors

At their January 29, 2014 Meeting

NPCC 2014 Corporate Goals

NPCC collaborated with NERC Senior Management and the seven other Regional Entities in the development of a common strategic planning framework, the *Electric Reliability Organization (ERO) Strategic Plan 2014-2017* (Draft December 20, 2013). Each of the NPCC 2014 corporate goals is presented in terms of its support of specific NERC goals identified in that framework to demonstrate complementary alignment.

The 2014 goals are an expansion of the multitude of objectives outlined in the 2014 NPCC Business Plan and Budget, which was approved by the NPCC Board on June 25, 2013 and submitted to NERC on August 6, 2013. Threshold, Target and Stretch performance levels are identified. Attainment of a previous level is a pre-requisite for credit of attainment at a higher level.



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I.	<u>Addressing Risks to Reliability</u>	Weighting; 40% of Total		
1.	Events Analysis and Accountability – 10%	Threshold	Target	Stretch
	<p>Analyze significant bulk power system events in North America to identify gaps in standards, compliance effectiveness, registration, and risk controls effectiveness.</p> <p>Make bulk power system event technical reports available on a timely basis to NPCC registered entities through a secure portal.</p> <p>Provide lessons learned and recommendations for mitigation of risks identified from events.</p> <p><i>In support of NERC ERO Enterprise Strategic Goal 4, Risks to Reliability (Objective 4b): Events and system performance are consistently analyzed for sequence, cause, and remediation to identify reliability risks and trends, and lessons learned.</i></p>	<p>Work directly with applicable NPCC Task Forces to provide an in depth assessment, and disseminate at least 20 Lessons Learned - by 12/14</p> <p>Track implementation of mitigating measures by the impacted NPCC registered entity following an event – by 12/14</p>	<p>Contribute to the reduction of Category 3 events and no Category 4 or 5 events in NPCC by expanding the TFCO's efforts to enhance inter-Reliability Coordinator communication during abnormal operating conditions - by 12/14</p>	<p>Transition NPCC events analysis data to the ERO Events Information Data System from which detailed event reports may be accessed by registered entities – by 12/14</p> <p>Expand NPCC Weekly Report with trending of key interface flows and system parameters – by 12/14</p>
2.	Reliability Impacts Prioritized – 10%	Threshold	Target	Stretch
	<p>Continue leadership of the BES Exception Process Working Group (BEPWG) and participation in the related BES SDT activates in 2014 in support of the anticipated July 1, 2014 BES Effective date. Expand responsibilities to include: development of BES related training materials, and participation in registered entity and Regional Entity staff outreach. Review submitted BES exception recommendations from other Regional Entities for completeness and consistency.</p> <p><i>In support of ERO Strategic Goal 5c – Coordination and Collaboration deliverable: Develop, test and deploy ERO enterprise-wide applications, platforms and database</i></p>	<p>Finalize the BES Definition Guidance document and related BES Exception Process Guidelines and actively participate in related NERC & NPCC BES Training activities - by 06/14</p>	<p>Process NPCC Entity Self-Determined BES Notifications and complete review of submitted NPCC BES Exception Requests and associated Regional Recommendations, as required by the NERC Rules of Procedure – by 12/14</p>	<p>Continue the activities of the BEPWG beyond the anticipated BES Effective Date to review submitted Regional BES Exception recommendations for consistency – by 12/14</p>



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3.	Security: Physical and Cyber – 10%	Threshold	Target	Stretch
	<p>Expand voluntary program of registered entity Vulnerability and Risk assessments of Physical Security and make recommendations for improvement after each assessment.</p> <p>Institute a Cyber Security outreach program to advise registered entities of vulnerabilities based on NPCC's experience and knowledge.</p> <p><i>In support of ERO Strategic Goal 4c: ERO supports industry situational awareness, cyber security preparedness and provides independent reliability information to policy makers.</i></p>	<p>Continue the outreach program to 4 registered entities to advise them on Physical Security - by 12/14</p> <p>Develop an outreach program to registered entities to advise them on Cyber Security – 6/14</p>	<p>Conduct Physical Security Risk and Vulnerability Assessments for 7 NPCC registered entities – by 12/14</p> <p>Conduct Cybersecurity Risk and Vulnerability Assessments for 4 NPCC registered entities – by 12/14</p>	<p>Post generic recommendations for increased Physical Security and track completion of specific entity recommendations – by 12/14</p> <p>Provide recommendations for increased Cybersecurity at Compliance workshops by 12/14</p>
4.	Reliability Excellence - System Modeling – 10%	Threshold	Target	Stretch
	<p>Lead Eastern Interconnection efforts to further improve steady state and dynamics modeling of equipment and to focus on frequency response improvements and modeling of governor and generating plant control systems, and performing simulations to validate the models against measured system response.</p> <p><i>In support of NERC ERO Enterprise Strategic Goal 4, Risks to Reliability (Objective 4d): Reliability models and data accurately represent system behavior and are shared among reliability entities.</i></p>	<p>Guide NPCC implementation of the MOD-032 and MOD-033 standards on modeling and make adjustments, as needed, to NPCC steady state and dynamics base cases – by 12/14</p>	<p>In collaboration with Events Analysis staff, benchmark 3 bulk power system events against Eastern Interconnection frequency response and recommend modeling improvements in MMWG cases – by 12/14</p>	<p>Report to RCC on the utilization of phasor measurement and other data to assess sufficiency of bulk power system models– by 12/14.</p>



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II.	<u>Reliability Standards</u>	<u>Weighting:</u> <u>15% of Total</u>		
1.	Clear, Reasonable, and Technically Sound– 7%	Threshold	Target	Stretch
	<p>Promote and assist in the development of quality standards which establish reliability requirements for ensuring the bulk power system is planned, operated, and maintained in a manner that minimizes risks of cascading failures, avoids damage to major equipment, or limits interruptions of bulk power supply.</p> <p><i>In support of ERO Enterprise Strategic Goals- Goal 1. - Develop clear, reasonable and technically sound mandatory reliability standards in a timely and efficient manner</i></p>	<p>Coordinate NPCC comments and submit to NERC drafting teams for 18 Reliability Standards under development or revision – by 12/14</p> <p>Develop recommendations and issues for consideration for at least 85% of NERC standards initial and final ballots– by 12/14</p> <p>Facilitate NERC’s roll-out of its Single Portal Tool for channeling and tracking stakeholder issues regarding standards – by 12/14</p> <p>Coordinate NPCC recommendation to improve the NERC Regional Standards Interpretation Process - by 6/14</p>	<p>Coordinate NPCC comments and submit to NERC drafting teams for 20 Reliability Standards under development or revision – by 12/14</p> <p>Develop recommendations and issues for consideration for at least 90% of NERC standards initial and final ballots– by 12/14</p> <p>Lead and coordinate NPCC recommendations to improve and expand NERC’s Single Portal to other program areas – by 8/14</p> <p>Obtain NERC BOT approval of a revised NPCC Regional Standards process manual - by 6/14</p>	<p>Coordinate NPCC comments and submit to NERC drafting teams for 22 Reliability Standards under development or revision – by 12/14</p> <p>Develop recommendations and issues for consideration for at least 95% of NERC standards initial and final ballots– by 12/14</p> <p>Lead development of training materials to inform NERC Standards Drafting Teams on results based, cost effective standards - by 12/14</p> <p>Obtain FERC approval of revised NPCC Regional Standards process manual - by 12/14</p>



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2.	Practical to Implement and Cost-Effective – 8%	Threshold	Target	Stretch
	<p>Lead implementation of NERC's Cost Effectiveness Analysis Procedure (CEAP) on a broader basis and further develop the CEAP to propose addressing "benefits" of proposed standards.</p> <p><i>In support of ERO Enterprise Strategic Goals, - Goal 1(Objective 1.a) Standards are practical to implement and cost effective</i></p>	<p>Provide leadership at NERC to the CEAP team to recommend potential standard projects for CEAP implementation - by 6/14</p>	<p>Develop second generation of CEAP exploring options for identifying "benefits" of proposed standards and post revised CEAP for industry comment - by 12/14</p>	<p>Finalize second generation of NERC CEAP and obtain necessary approvals by the NERC Standards Committee - by 12/14</p>
III.	<u>Compliance, Registration and Certification</u>	Weighting; 25% of Total		
1.	Risk-based Registration - 5%	Threshold	Target	Stretch
	<p>Develop NPCC Risk Based Registration White Paper including the concepts of an overall risk framework, functional responsibilities, standard requirements, and potential impacts, and the criteria to be used assess applicability. Provide to NERC to influence direction of ERO development of risk-based registration.</p> <p><i>In support of ERO Strategic Goal Area: Compliance, Registration and Certification (Objective 2a): The ERO registers entities commensurate with risk to the bulk power system and ensures all key reliability entities are certified to have essential capabilities.</i></p>	<p>Develop framework and criteria for risk-based registration - by 6/14</p>	<p>Present NPCC Risk Based Registration White Paper to NERC - by 12/14</p>	<p>Present NPCC Risk Based Registration White Paper to NERC - by 9/14</p>



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2.	Reliability Assurance Initiative – 10%	Threshold	Target	Stretch
	<p>Conduct assessments of Internal Control Programs (ICP) of registered entities as part of on-site audits and promote Reliability Assurance Initiative objectives.</p> <p>Evaluate the effectiveness of the self-certification discovery method identifying both the value of maintaining the discovery method and the rationale for eliminating the discovery method.</p> <p>Perform analysis of factors contributing to high percentage of self-identified violation reporting (self-reports and self-certifications) within NPCC.</p> <p><i>In support of ERO Strategic Goal Area: Compliance, Registration, and Certification (Objective 3a): Industry has effective procedures and programs to monitor, detect, correct, report, and prevent compliance, reliability, and security issues.</i></p>	<p>Assess ICP of 2 registered entities – by 12/14</p> <p>Develop methodology to review the current self-certification process – by 4/14</p> <p>Develop methodology for the analysis of registered entity self-identified reporting – by 4/14</p>	<p>Assess ICP of 4 registered entities – by 12/14</p> <p>Present report to NPCC Compliance Committee on the evaluation of the self-certification process – by 9/14</p> <p>Present report on self-identified reporting to NPCC CC – by 9/14</p>	<p>Assess ICP of 6 registered entities – by 12/14</p> <p>Present report on NPCC’s evaluation of the self-certification process to NERC – by 12/14</p> <p>Present report on NPCC self-identified reporting to NERC – by 12/14</p>
3.	Accountability - 5%	Threshold	Target	Stretch
	<p>Confirm the continuing validity of registered entity risk assessments for higher risk entities.</p> <p>In support of ERO Strategic Goal Area: Compliance, Registration and Certification (Objective 2b): The ERO holds industry accountable for violations that create serious risk to the bulk power system; resulting actions are timely and transparent to industry.</p>	<p>Review entity risk profile of 10 registered entities – by 12/14</p>	<p>Review entity risk profile of 20 registered entities – by 12/14</p>	<p>Review entity risk profile of 30 registered entities – by 12/14</p>



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4.	Timely Processing and Mitigation - 5%	Threshold	Target	Stretch
	<p>Review 2014 newly discovered or self-identified potential violations in as timely a fashion as possible and notify registered entity of disposition path, but no later than the NERC established 60 day average.</p> <p>For mitigation plans/mitigating activities (MA/MP) associated with new 2014 potential violations establish a quality review process that incorporates: evaluation of timely submittal of MA/MP; evaluation of the effectiveness of submitted MA/MP; and the monitoring of timely completion of MA/MP.</p> <p>In support of ERO strategic Goal Area : Coordination and Collaboration (Goal 5): Improve transparency, consistency, quality and timeliness of results: operate as a collaborative enterprise; and improve efficiencies and cost effectiveness</p>	<p>For 2014, notify registered entity, on average, within 55 days – by 12/14</p> <p>Develop MP/MA Quality Review Process , including a description of the criteria for evaluating each of the components of the process – by 6/14</p>	<p>For 2014, notify registered entity, on average, within 50 days – by 12/14</p> <p>Implement MP/MA Quality Review Process – by 9/14</p>	<p>For 2014, notify registered entity, on average, within 45 days – by 12/14</p> <p>Develop and post to NPCC website MP/MA Quality Review Dashboard summarizing – by 12/14</p>
IV.	<u>Coordination and Collaboration</u>	Weighting; 20% of Total		
1.	Incorporation of NPCC Policy Input – 10%	Threshold	Target	Stretch
	<p>Develop and provide, from an international Regional Entity perspective, policy direction to NERC Board of Trustees, NERC senior management, stakeholders, other Regional Entities and industry executives. Influence financial policy to focus NERC on its core functions, and support common IT solutions across NERC/Regional Entities to defray costs and promote consistency.</p> <p><i>In support of ERO Strategic Goal 5: Improve transparency, consistency, quality and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost effectiveness.</i></p>	<p>Incorporation by NERC of at least 60% of NPCC Board approved policy input – by 12/14</p>	<p>Incorporation by NERC of at least 75% of NPCC Board approved policy input – by 12/14</p>	<p>Incorporation by NERC of at least 90% of NPCC Board approved policy input – by 12/14</p>



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2.	Financial – 10%	Threshold	Target	Stretch
	<p>Develop annual business plan and budget that enables NPCC to fulfill its statutory duties and responsibilities as outlined in the Amended Regional Delegation Agreement and fully exercise its authorities. Develop a distinct criteria services division business plan and budget and allocate costs appropriately for regionally-specific functions and services among the ISO/BAAAs.</p> <p>Emphasize employee development by providing opportunities for training in technical; management; communication; and team skills.</p> <p>Manage actual expenses within +/- budget amounts, excluding any significant unanticipated expenses to efficiently accomplish corporate goals and successfully achieve corporate objectives.</p> <p><i>In support of ERO Strategic Goal 5: Improve transparency, consistency, quality and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost effectiveness.</i></p>	<p>Reprioritize resources as necessary to achieve emerging requirements and operate within 103% of the initial 2014 Budget as well as applications approved by the Board from operating cash reserves – by 12/14</p>	<p>Reprioritize resources as necessary to achieve emerging requirements and operate within the initial 2014 Budget as well as applications approved by the Board from operating cash reserves – by 12/14</p>	<p>Reprioritize resources as necessary to achieve emerging requirements and as an overall efficiency goal, operate within 95% of the initial 2014 Budget as well as applications approved by the Board from operating cash reserves – by 12/14</p>