



NPCC 2018 Corporate Goals

Approved by the NPCC Board at its January 31, 2018 Meeting

On November 9, 2017 the NERC Board of Trustees approved an ERO Enterprise Operating Plan that identifies the ERO Enterprise’s vision, mission, core principals, and goals, and provides a list of key contributing activities by the combined ERO Enterprise, NERC, and the Regional Entities as applicable to inform a rolling three-year operational planning horizon. The Operating Plan has six goals, each of which is supported by the combined ERO Enterprise, NERC, and the Regional Entities, as applicable. The majority of ERO Enterprise resources and activities, in support of these goals, focus on preserving and building on current achievements toward establishing risk-based controls to minimize BPS reliability risk while also driving enterprise-wide operational efficiency and effectiveness. Remaining ERO Enterprise activities and resources focus on identifying, evaluating, and addressing new and emerging issues affecting BPS reliability and security and improving communication strategies, knowledge transfer, and engagement with stakeholders across North America.

Each of the NPCC 2018 Corporate Goals is presented in terms of support of specific ERO goals, identified in the Operating Plan, to demonstrate complementary alignment. The NPCC 2018 goals are an expansion of the multitude of objectives outlined in the 2018 NPCC Business Plan and Budget, which was approved by the NPCC Board on June 28, 2017 and by FERC on November 1, 2017. The Operating Plan goal addressing effective and efficient operations is a core requirement of NPCC management, and as such is not identified as a separate corporate goal. For NPCC Goals, Threshold, Target and Stretch performance levels are identified. Attainment of a previous performance level is a pre-requisite for credit of attainment at a higher performance level. In addition, each aspect of a goal has been classified as either Qualitative or Qualitative and Quantitative, and a third-party reviewer has been identified to support objectivity and enhance auditability.

A summary of the 2018 Corporate Goals appears on the next page, with the full set of supporting milestones for the 2018 Corporate Goals included on the subsequent pages.



NPCC 2018 CORPORATE GOALS

<i>Goal</i>	<i>Goal Objectives</i>	<i>Qualitative</i>	<i>Qualitative and Quantitative</i>	<i>Oversight Reviewer</i>
I - (25%)	<p>Goal Objective: Risk Responsive Reliability Standards <i>Conduct a strategic review of the need for NPCC Criteria, and determine a potential Regional approach to developing reliability guidance for distribution level Distributed Energy Resources (DER) that could impact Bulk Electric System reliability.</i></p>		X	<i>Reliability Coordinating Committee and Regional Standards Committee</i>
II - (20%)	<p>Goal Objective: Objective and Risk Informed Compliance Monitoring, Mitigation, Enforcement, and Entity Registration <i>Identify, analyze, and communicate the degree of risk associated with non-compliance trends in order to assist registered entities in future compliance and to support the continuing culture of high reliability in Northeastern North America.</i></p>	X		<i>Compliance Committee</i>
III - (15%)	<p>Goal Objective: Reduction of Known Risks to Reliability <i>Reduce identified reliability risks due to protection system misoperations, event severity, and lack of accurate DER models.</i></p>		X	<i>Reliability Coordinating Committee</i>
IV - (25%)	<p>Goal Objective: Identification and Assessment of Emerging Reliability Risks <i>Identify and assess reliability risks to resource adequacy due to accelerated retirement of traditional resources, severe disruptions on the natural gas system, and correlation of DER with load.</i></p>		X	<i>Reliability Coordinating Committee</i>
V - (15%)	<p>Goal Objective: Identification and Reduction of Cyber and Physical Security Risks <i>Conduct physical and cyber security outreach and internal control evaluations to collaboratively and pre-emptively educate NPCC stakeholders on the changing threat landscape associated with cyber and physical security.</i></p>		X	<i>Compliance Committee</i>



NPCC 2018 CORPORATE GOALS

I	Risk- Responsive Reliability Standards <i>In support of ERO Enterprise Strategic Plan: Goal 1</i>	Weighting: 25% of Total		
	Conduct a strategic review of the need for NPCC Criteria, and determine a potential Regional approach to developing reliability guidance for distribution level Distributed Energy Resources that could impact Bulk Electric System reliability.	Threshold	Target	Stretch
I-1. (15%)	Conduct a strategic review of the need for NPCC’s Regionally specific, more-stringent reliability Criteria. The evaluation will identify the overarching reliability benefits and recommendation on whether NPCC should retain the Criteria within topic areas, such as operations, planning, protection, etc.	Develop an action plan for the strategic review of the need for NPCC Criteria and submit to TFCP for consideration by their 3/18 Meeting. Provide status update to Board.	Submit report on strategic review of the need for NPCC Criteria to the Task Forces for comment by 11/18 Meetings. Provide status update to Board.	Submit report on strategic review of the need for NPCC Criteria to RSC and RCC for consideration by 12/18 Meeting. Provide status update to Board.
I-2. (10%)	Determine a potential Regional approach to developing reliability guidance for distribution level Distributed Energy Resources (DERs) that could impact Bulk Electric System (BES) reliability.	Develop potential approach to address reliability related impacts on the BES from distribution level DERs and gain RSC concurrence by 11/18 Meeting.	Provide Regional input on all standards under development, as well as the “Standards Efficiency Review” project, and any revised IEEE standard on DERs by RSC 12/18 Meeting.	Revise PRC-006-NPCC-2 “Automatic Underfrequency Load Shedding” Regional Standard, considering DER increases, and post for industry ballot by 12/31/18.



NPCC 2018 CORPORATE GOALS

II	Objective, Risk-Informed Compliance Monitoring, Mitigation, Enforcement, and Entity Registration <i>In support of ERO Enterprise Strategic Plan: Goal 2</i>	Weighting: 20% of total		
	Identify, analyze, and communicate the degree of risk associated with non-compliance trends in order to assist registered entities in future compliance and to support the continuing culture of high reliability in Northeastern North America.	Threshold	Target	Stretch
	Reduction of Bulk Electric System Risk Due to Non-Compliance with Operation & Planning and CIP Standards	<p>Identify better practice elements for audit preparation. Perform outreach webinar to mentor entities by 3/18.</p> <p>Identify the relationship of the key reliability tasks and key standard requirements by function. Mentor on better practices to establish internal controls that are fully implemented. Conduct webinar by 4/18.</p>	<p>Identify and analyze the NPCC and NERC most violated standards since 2016 that caused a serious or substantial risk to the Bulk Power System. Present risk analysis to CC by 9/18 Meeting.</p> <p>Establish a CC Working Group to identify necessary actions for a control to be considered fully implemented. Present at Fall 2018 Workshop.</p>	<p>Identify better practices to provide reasonable assurance of CIP compliance. Conduct webinars by 6/18 and by 11/18. Present results to CC by 12/18 Meeting.</p> <p>Perform mitigation analysis of serious NPCC violations and serious ERO violations. Conduct webinar on risk and mitigation analysis by 12/18.</p>



NPCC 2018 CORPORATE GOALS

III	Reduction of Known Risks to Reliability <i>In support of ERO Enterprise Strategic Plan: Goal 3</i>	Weighting; 15% of Total		
	Reduce identified reliability risks due to protection system misoperations, event severity, and lack of accurate DER models.	Threshold	Target	Stretch
III-1. (5%)	Development of Composite Protection System Misoperation Metric - The metric, developed through the SP-7 Working Group, is intended to include addressing “Unknown” protection system misoperations and other causes in order to foster high reliability by encouraging industry to improve their score/performance over time.	Develop an NPCC composite misoperation metric to support risk identification and mitigation and report status to the RCC at 5/30/18 meeting.	Obtain TFSP’s endorsement of the proposed NPCC composite misoperation metric and report status to RCC at 9/5/18 meeting.	Present and obtain RCC approval for implementation of proposed NPCC composite misoperation metric at 12/4/18 RCC meeting.
III-2. (5%)	Event Severity - Analyze system events to identify risks, mitigation strategies, and lessons learned. Perform a comparison and trending analysis to develop a potential metric to gauge relative risk of the events trending year-to-year.	Perform an assessment and trend analysis of all ERO-wide 2015 and 2016 events and report at the 5/30/18 RCC meeting.	Perform additional assessments and trend analyses of all NPCC 2017 and report at the 9/5/18 RCC meeting.	Update assessments for 2018 events (received as of the end of the 3 rd quarter of 2018) and report at 12/4/18 RCC meeting.
III-3. (5%)	Develop and Maintain Accurate DER Models - Promote and assist in the development of guidelines and practices to address Distributed Energy Resources (DERs) in planning models. This includes an examination of if and how distribution DER is modeled on the BES.	Identify current practices for incorporation of installed DERs in planning practices and report at the 5/30/18 RCC meeting.	Develop a scope to create guidelines for incorporating DERs into planning studies and present for RCC approval at the 9/5/18 meeting.	Report on the development of guidelines for incorporating DERs into planning studies to the RCC at the 12/4/18 meeting.



NPCC 2018 CORPORATE GOALS

IV.	Identification and Assessment of Emerging Risks to Reliability <i>In support of ERO Enterprise Strategic Plan: Goal 4</i>	Weighting; 25% of Total		
	Identify and assess reliability risks to resource adequacy due to accelerated retirement of traditional resources, severe disruptions on the natural gas system, and correlation of DER with load.	Threshold	Target	Stretch
IV-1. (5%)	Assess the risks to resource adequacy due to accelerated retirement of conventional NPCC resources replaced with distributed energy resources on the system over the next ten years.	Develop the scope for an evaluation of the impact on resource adequacy of accelerated retirements of generation and report to the RCC at the 2/28/18 meeting.	Present preliminary results of the evaluation to the RCC at the 9/5/18 meeting.	Report completed evaluation results to the RCC at the 12/4/18 meeting.
IV-2. (10%)	Conduct a detailed assessment using a power system simulator to confirm NERC’s screening analysis of a generation cluster within NPCC that may create reliability risks under significant loss of natural gas infrastructure, and make recommendations on mitigation if any reliability issues are identified.	Develop the Scope of Work for the assessment – report to the RCC at the 2/28/18 meeting.	Present preliminary results of the assessment to the RCC at the 9/5/18 meeting.	Report completed assessment results to RCC at the 12/4/18 meeting.
IV-3. (10%)	Develop NPCC area probabilistic models for wind and behind the meter (solar) resources based on their past performance, in order to perform a peak load correlation analysis using the @Risk program. Evaluate the significance of the amounts of NPCC wind and BTH solar resources for resource planning and operating models.	Develop the Scope of Work for the study– report to the RCC at the 2/28/18 meeting.	Present preliminary results of the study to the RCC at the 9/5/18 meeting.	Report completed study results to the RCC at the 12/4/18 meeting.



NPCC 2018 CORPORATE GOALS

V.	Identification and Reduction of Cyber and Physical Security Risks <i>In support of ERO Enterprise Strategic Plan: Goal 5</i>	Weighting; 15% of Total		
	Conduct physical and cyber security outreach and internal control evaluations to collaboratively and pre-emptively educate NPCC stakeholders on the changing threat landscape associated with cyber and physical security.	Threshold	Target	Stretch
		Perform physical and cyber security outreach assessments on 3 entities by 8/18. Summarize the 2017 FERC report on observance of CIP v5 audits and present to CC at the 3/18 meeting.	Present information on significant cyber and physical security risks via webinar by 8/18, to the CC by 9/18, and at Fall 2018 Workshop. Analyze threats identified in the 2017 FERC report on observances of CIP V5 audits, and conduct outreach webinar by 6/18.	NPCC to perform physical and cyber security outreach assessments on 3 additional entities by 12/18. Perform 4 CIP Internal Controls Evaluations by 12/18 CC meeting.