



*Approved at the 2/27/07 BOD Meeting*  
**2007 Corporate Goals**

The Board of Directors of NPCC Inc. and NPCC CBRE have established the following regional corporate goals for 2007 which are consistent with the evolving long term Strategic Plans of the corporations and the already approved work plans for the program areas identified in the 2007 NPCC Business Plan submitted to NERC July 25, 2006 and approved by the Executive Committee at its September 7, 2006 meeting.

<b>Goals</b>	<b>Threshold</b>	<b>Target</b>	<b>Stretch</b>	<b>Weight</b>
<b>Gateway Goal: Minimum Standard of Performance Budget Administration</b>	NPCC Inc. and NPCC CBRE expenditures within Budget Total plus approved application from operating cash reserves of up to 5% of Budget	NPCC Inc. and NPCC CBRE expenditures within Budget Total as approved September, 2006  2008 Budget Process establishes appropriate budget allocations and ERO funded operating cash reserve fund	NPCC Inc. and NPCC CBRE expenditures 3% under Budget Total as approved September, 2006  Two month operating reserve and excess funded by predecessor NPCC establishes "Office Relocation Fund" for assessment neutral relocation funding	
<b>Goal #1. Executive and Administrative</b>	Transition Reliability Structure for Northeastern North America to a one corporation model: NPCC Inc.; by merging all regional entity (NPCC CBRE) services and member reliability functions (Currently NPCC Inc.) while keeping the respected NPCC brand – 2007/ 2008 multiyear  Incorporation by NERC of at least 60% of NPCC CBRE BOD policy input	Transition Reliability Structure for Northeastern North America to a one corporation model: NPCC Inc.; by merging all regional entity (NPCC CBRE) services and member reliability functions (Currently NPCC Inc.) while keeping the respected NPCC brand – 12/07  Incorporation by NERC of at least 75% of NPCC CBRE BOD policy input	Transition Reliability Structure for Northeastern North America to a one corporation model: NPCC Inc.; by merging all regional entity (NPCC CBRE) services and member reliability functions (Currently NPCC Inc.) while keeping the respected NPCC brand – 10/07  Incorporation by NERC of at least 90% of NPCC CBRE BOD policy input	15
<b>Goal #2. Reliability Services</b>	Obtain RCC approval of the concept of NPCC Reliability Requirement Directories, including development and presentation of a model directory – 5/07	Obtain RCC approval of a process and a three-year plan to implement transition of current NPCC Criteria to a complete set of NPCC Reliability Requirement Directories – 9/07	Implement approved process to transition NPCC Criteria to NPCC Reliability Requirement Directories and seek RCC approval of the first Reliability Requirements Directory – 11/07	10

<b>Goals</b>	<b>Threshold</b>	<b>Target</b>	<b>Stretch</b>	<b>Weight</b>
<b>Goal #3a. Reliability Requirements (Criteria and Standards – Section 300)</b>	Develop Regional Reliability Standards (RRS) processes and design web-based CBRE members on-line voting application for RRS – 9/07	Implement RRS processes, web-based CBRE members voting application, and automate ballot result notifications for RRS – 9/07	Implement RRS processes, web-based CBRE members voting application, automate ballot result notifications for RRS, and establish password protected member's profile update site – 9/07	10
<b>Goal #3b. Reliability Requirements (Criteria and Standards – Section 300)</b>	Implement A-10, Regional Bulk Power System (BPS) Reliability Impact-Based Methodology testing and generate BPS facilities list – 11/07	Implement A-10, Regional BPS Reliability Impact-Based Methodology testing, generate BPS facilities list and obtain RCC approval of implementation plan – 9/07	Implement A-10, Regional BPS Reliability Impact-Based Methodology testing, generate BPS facilities list, obtain RCC approval of implementation plan, and initiate drafting a BPS Methodology RRS – 9/07	10
<b>Goal #4. Compliance Enforcement (Section 400)</b>	Develop processes for self-reporting, spot checking, compliance audits and investigations for NPCC CBRE implementation of NERC Compliance Program – 5/07	Implement processes for self-reporting, spot checking, compliance audits, investigations and develop procedures for hearing enforcement and settlement for NPCC CBRE implementation of NERC Compliance Program – 9/07	Automate the reporting, monitoring, assessment and enforcement requirements of the comprehensive NPCC Compliance Program (NPCC Inc. and NPCC CBRE) – 12/07	15
<b>Goal #5. Organization Registration (Section 500)</b>	Verify NPCC CBRE Compliance Registry listing of Registered Entities – 5/07	Develop and implement process to identify, contact and verify additional entities to expand initial Compliance Registry – 9/07	Develop and implement process to extract information from the NPCC CBRE Compliance Program to enhance Compliance Registry – 12/07	5
<b>Goal #6. Reliability Readiness Evaluation &amp; Improvement (Section 700)</b>	Establish a modified NERC Reliability Readiness Evaluation and Improvement program structured to assess the operational readiness of the Transmission Owner (TO) and implement a Readiness Evaluation Recommendation Tracking and Completion Process – 11/07	Complete two TO Readiness Evaluations within the NPCC region, using a modified NERC program and monitor the completion of any recommendations directed to the TOs – 11/07	Complete three TO Readiness Evaluations within the NPCC region, using a modified NERC program and monitor the completion of any recommendations directed to the TOs – 11/07.	10

<b>Goals</b>	<b>Threshold</b>	<b>Target</b>	<b>Stretch</b>	<b>Weight</b>
<b>Goal #7. Reliability Assessment &amp; Performance Analysis (Section 800)</b>	Achieve RCC approval of an updated NPCC Interconnection Assistance Reliability Benefits Analysis for the years 2007-2009, incorporating the latest NPCC and neighboring Regions resource and transmission planning assumptions – 11/07	Achieve RCC approval of an updated NPCC Interconnection Assistance Reliability Benefits Analysis for the years 2007-2009, incorporating the latest NPCC and neighboring Regions resource and transmission planning assumptions – 9/07	Achieve RCC approval of an updated NPCC Interconnection Assistance Reliability Benefits Analysis that extends the analysis two additional years (2007-2011), incorporating the latest NPCC and neighboring Regions resource and transmission planning assumptions – 11/07	10
<b>Goal #8. Training &amp; Education (Section 900)</b>	Facilitate the accreditation of training within each NPCC Balancing Authority Area (BAA) under the NERC Continuing Education training program – 11/07	Structure the agenda of the semiannual NPCC Inc. Dispatcher Training Seminars to permit attendees to receive NERC CEH credit for individual participation – 11/07	Achieve a common portfolio of training programs, including training materials, training sessions and Continuing Education credit, among the NPCC BAAs – 11/07	5
<b>Goal #9a. Situational Awareness &amp; Infrastructure Security (Section 1000)</b>	Raise the awareness of the effected entities, including regulatory/governmental authorities, through workshops concerning the consequences of not maintaining the same priority level of service and capability across the U.S. and Canadian Border during times of electric system emergencies – 12/07	Identify the components of viable bi-directional communication protocol(s) that will maintain priority level of service and capability across the U.S. and Canadian Border during times of emergencies to support reliable communications among electric system operators – 9/07	Initiate development of a plan that provides reliable cross border communications among electric system operators during times of emergencies – 11/07	5
<b>Goal #9b. Situational Awareness &amp; Infrastructure Security (Section 1000)</b>	Identify any deficiencies in the BAA operational tools as a result of the NERC Real-Time Tools Best Practices Task Force recommendations – 12/07	Coordinate BAA review and adoption of applicable new operational tools resulting from the NERC Real-Time Tools Best Practices Task Force recommendations – 12/07	Facilitate implementation and training among the BAAs of operational tools which have been adopted as a result of the NERC Real-Time Tools Best Practices Task Force recommendations – 11/07	5

### **Components of Gateway Goal:**

Budget Administration is interwoven with all of the other goals and it must be met before attainment of any of the other goals can be evaluated and deemed to be met. The Board of Directors of NPCC Inc., as successor to the Executive Committee of NPCC, is charged consistent with the Variable Incentive Program to reserve funds in annual budgets for plan funding purposes.

#### ***A. Budgetary Control and Resource Allocation***

Allocate NPCC Inc. and NPCC CBRE budgets to Full Time Equivalents to provide consistency among NERC and regional entities presenting separate costs associated with delegated authorities under U.S. legislation Section 215 and applicable Canadian Provincial Memoranda of Understanding from regional reliability functions and member services. Recommend financial policy through participation in the Regional Entity Budget Group to align assigned costs with ERO obligations required. Develop and operate within NPCC Inc. and NPCC CBRE administrative budgets through ongoing reprioritizations of activities to efficiently accomplish corporate goals and to achieve the two independent, affiliated corporation's objectives successfully. Develop 2008 budget and business plan and allocate costs appropriately for member services among the ISO/BAAAs. Provide NPCC Inc. employees with human resource support and professional development opportunities to improve overall productivity.

### **Components of Goal #1 – Executive & Administrative:**

#### ***A. NPCC Inc. and NPCC CBRE Policy Direction***

Structurally align NPCC Inc. and NPCC CBRE with Northeastern North American reliability assurance requirements, U.S. legislative mandates, and Canadian Provincial Memoranda of Understanding responsibilities, continuing the transition by eventual merger of NPCC Inc. and NPCC CBRE to one not for profit corporation, NPCC Inc. that will provide functional separation and independence for the delegated authorities of compliance and enforcement from member reliability service functions provided for Northeastern North America. Increase efficiencies for corporate governance, financial reporting, and funding while focusing resources on core competencies. Convert any duplicative regional criteria language to regional application guidelines that are used to implement North American standards. Establish goals in support of the NPCC Inc. and NPCC CBRE Annual Business and Multi-year Strategic Plans and assess attainment of objectives.

#### ***B. Reliability Structure and Industry Direction***

Implement Reliability Services Agreement to perform NPCC CBRE delegated standards development and compliance and enforcement functions. Provide policy direction to evolving NERC compliance program that accommodates peer committee participation and supports Provincial compliance authorities. Implement Regional Delegation Agreement and Canadian provincial Memoranda of Understanding to maintain and enhance reliability in the Northeast. Focus NPCC Inc. activities on more stringent, market neutral, regionally-specific criteria, and on member reliability services. Maintain reliability coordination within the Eastern Interconnection through Eastern Interconnection Reliability Assessment Group.

## *Components of Goal #2 - Reliability Services:*

### *A. Reliability Requirements*

Develop topic-specific reliability requirements directories utilizing mapping of the NPCC Criteria to cross-reference NERC Reliability Standards with the corresponding NPCC Inc. criteria, guidelines, and procedures (including more stringent, regional reliability requirements) to clearly identify NPCC systems' reliability responsibilities. Establish a process and a three year plan to transition from NPCC Criteria to Reliability Requirements Directories.

### *B. Blackout Recommendation Tracking and Implementation*

Utilize the quarterly NPCC Inc. blackout recommendations tracking mechanism to help assure timely completion of the remaining specified regional follow-up activities to the NERC & US/Canada Task Force Blackout Recommendations and the follow-up actions to NPCC Inc. groups to implement the recommendations developed from the conclusions in the final NPCC August 14, 2003 Blackout Study Report.

### *C. Governmental and Regulatory Participation*

Expand NPCC Inc. and NPCC CBRE interaction and coordination with Federal/State/Provincial regulatory agencies on a regional basis. Coordinate activities of the NPCC Inc. Governmental/Regulatory Affairs Advisory Group to develop policy input to the NPCC Inc. Board.

### *D. Operational Tools*

Coordinate the development and implementation of real-time operational tool enhancements for Northeastern North America, including implementation of the Eastern Interconnection Phasor Project, synchronized reserve requirements, and recommendations from the NERC Real-Time Tools Best Practices Task Force.

### *E. Regional Reliability Initiatives*

Enhance Real-Time operational data on the NPCC Inc. TTC/ATC Website consistent with FERC Order 890. Support enhancements to the NPCC Inc. Facilitated Transaction Checkout procedure. Facilitate coordination of inter-area planning activities, procedures for the exchange of planning-related data and information, and the system planning analyses procedures of the Northeastern ISO/RTOs.

### *F. Critical operational "Lessons Learned"*

Develop a process that identifies critical operational "lessons learned" from regional, and external system disturbance events in order to further enhance future operational reliability within the NPCC Region.

### **Components of Goal #3 – Reliability Requirements:**

#### ***A. Regional Reliability Standards Development Procedure***

Develop the processes and procedures to implement the Regional Reliability Standards Procedure filed as part of the NERC ERO delegation agreement with FERC. Develop the necessary website to meet the statutory requirements of the filed procedure, such as open posting, online voting and notification of balloting of regional standards. Develop scope for the Regional Standards Committee, and actively solicit members.

Provide regional leadership in the development and revision of the NERC 3 year workplan to revise all standards and specifically address the “fill in the blank” characteristics of 24 existing NERC BOT approved standards. Guide and influence policy of the ERO as it pertains to the development of Regional Standards through participation on the NERC Regional Standards Working Group. Provide coordination between Regions during the development of future Regional Standards.

Participate on the NERC Standards Committee to influence and guide policy, and serve on a Regional Entity working group which provides a forum to the Regions to share standards issues.

#### ***B. Regional Reliability Criteria***

Complete field testing of the new A-10 Bulk Power System Methodology Criteria, address all comments from the postings and develop an implementation plan.

Develop new criteria on the verification of generator gross and net real power capability. Define and determine the physical requirements, and benefits to the electrical system, of inter-Area operating reserve, and incorporate the concept in Document A-06, “Operating Reserve Criteria.” Develop a new Type “A” Criterion presenting the requirements essential to the restoration plan of each NPCC Area. Develop a new “A” Criterion on Disturbance Monitoring Equipment.

Develop and begin implementation of a strategy for the conversion of the NPCC “A” Criteria documents on a going forward basis in the mandatory compliance post EPOA environment.

### **Components of Goal #4 – Compliance Enforcement:**

#### ***A. Implementation of NERC Compliance Monitoring and Enforcement Program (CMEP)***

Implement the NERC CMEP for those NERC Reliability Standards that are contained on the 2007 NERC Monitored List of Reliability Standards and any NPCC CBRE Reliability Standards that may be developed and approved in 2007. Establish NPCC CBRE Compliance Committee and hearing/settlement processes. Evaluate compliance information from: self-certification submittals, spot checks, compliance investigations as needed, and compliance audits as per the 2007 Regional Implementation Plan. Make initial and final compliance determinations, and recommend sanctions and penalties to the NPCC CBRE Compliance Committee. Participate in NPCC CBRE hearing, support ERO appeals and participate in the settlement processes.

*B. NPCC Inc. Reliability Compliance and Enforcement Program (RCEP)*

Revise RCEP to monitor, assess and enforce compliance to all those NPCC Inc. Criteria that have been identified as, unique to NPCC Inc; more stringent than NERC Reliability Standards or more specific than NERC Reliability Standards.

*C. Compliance elements of NPCC Inc. Criteria*

Develop necessary compliance elements for those NPCC Inc. Criteria that have been identified as, unique to NPCC Inc; more stringent than NERC Reliability Standards or more specific than NERC Reliability Standards.

*D. Web Based Compliance Reporting and Maintenance Application*

Implement a web based application to allow for an efficient means for members to make required compliance submittals; allow NPCC Inc. and NPCC CBRE to keep track of various compliance submittals and generate comprehensive reports documenting compliance monitoring and enforcement results.

**Components of Goal #5 - Organization Registration:**

*A. NPCC CBRE Entity Registration*

Verify listing of registered entities through analysis of responses from individual entities to the staff-developed verification surveys.

*B. Expansion/Modification of Compliance Registry*

Develop and implement process to identify, contact and verify additional entities to expand initial Compliance Registry. Develop and implement process to extract information obtained during the conduct of the Compliance Program (e.g. compliance self-certifications, spot checks, investigations, compliance audits, etc.) to further enhance the Registry.

*C. Entity Registration Maintenance Process*

Create web based data base of Compliance Registry. Expand current web based Entity Registration application. Develop Compliance Registry Maintenance Process and translate into a web based application. Process will be consistent with NERC ERO Rules of Procedures.

**Components of Goal #6 – Reliability Readiness Evaluation & Improvement:**

*A. Readiness Evaluation*

Develop, in coordination with the NERC and the NPCC ISOs / RTOs, a modified NERC Reliability Readiness Evaluation and Improvement Program Questionnaire to assess the operational readiness of the Transmission Owner (formerly cited as “local control center”).

Develop an integrated schedule of the NERC Reliability Readiness Evaluation and Improvement Program reviews of the NPCC functional entities with the NPCC compliance audits to permit the readiness review to serve as an “initial screening” and a preparatory exercise for each entity’s compliance audit.

Provide the team co-lead and ensure the completion of the NERC Reliability Readiness Evaluation and Improvement Program review team.

Develop a coordinated schedule for the NERC Reliability Readiness Evaluation and Improvement Program which provides for a three-year review cycle for the readiness assessments of the Reliability Coordinators, Transmission Operators and the Balancing Authorities and a five-year review cycle for Transmission Owners within NPCC Inc.

Track the status of progress to completion of those recommendations from NERC readiness evaluations directed to Reliability Coordinators, Transmission Operators, Balancing Authorities and Transmission Owners within NPCC Inc.

**Components of Goal #7 - Reliability Assessment & Performance Analysis:**

***A. NPCC Inc. Interconnection Reliability Benefits Analysis***

Update the estimates, on a consistent basis, of the amount of interconnection assistance (a/k/a Reliability Tie Benefits) available to NPCC for the near term (2007 – 2009). Review each NPCC Inc. system's current estimates of interconnection benefits used to meet the NPCC Resource Adequacy Design Criterion and verify that the current levels of interconnection benefits are reasonable and do not result in overstating any NPCC Inc. systems' reliability. Include the potential effects of proposed market mechanisms in NPCC Inc. and neighboring Regions to provide for future adequacy in the analysis.

The Threshold and Target Goals focus on the immediate need for an independent estimate of near-term NPCC Reliability Tie Benefits. The Stretch Goal extends the near-term analysis by two years in order to address the need for an independent estimate NPCC Reliability Tie Benefits for the longer-term planning horizon. The reliability tie benefits assumed by each NPCC Area are an integral part of their long term planning and needs assessments, as well as their Comprehensive Reviews of NPCC Resource Adequacy. This long-term outlook also supports regional coordination, one of the nine specified planning principles outlined in FERC Order 890.

***B. Reliability and Adequacy Assessments***

Conduct reviews of the reliability of the planned NPCC Inc. bulk power systems and resource additions for conformance with NPCC Inc. operations, planning and design criteria.

Conduct comprehensive pre-seasonal NPCC Inc. multi-Area probabilistic and operational security assessments to determine Region-wide reliability and NPCC resource and transmission adequacy. Evaluate integration of evolving ReliabilityFirst and MISO G.E. MARS model representation into the NPCC Inc. analyses.

Review individual pre-seasonal regional reliability assessments conducted by neighboring Regions, considering NPCC Inc.'s more stringent criteria.



*C. Blackout Follow-up Analysis*

As a follow-up to Task 5 of the NPCC Northeast Blackout Study Plan, evaluate mitigation measures that improve the ability of NPCC Inc. systems to withstand major system disturbances, including improved coordination of UFLS, system protection and control, transmission line protection, and implementation of UVLS.

Assess NERC's Protection System Review Program of Beyond Zone 3 Relay operation within NPCC and report on any operationally significant circuits and required mitigation.

Based on actual operating data, validate the reactive power, load power factor, and voltage profile assumptions used in NPCC Inc. power flow models.

**Components of Goal #8 – Training & Education:**

*A. Training*

Identify training requirements necessary for each NPCC Balancing Authority Area training program to ensure continued accreditation of Area Continuing Education Hours (CEH).

Identify common training requirements to achieve CEH accreditation and assess opportunities to consolidate training programs among the NPCC Areas.

Develop and provide common training material and for CEH training programs. Structure the semiannual NPCC Inc. Dispatcher Training Seminars to permit its attendees to receive CEH credit for their participation.

Identify and coordinate the necessary training for new operational tools recommended by the report of the NERC Real-time Tools Best Practices Task Force.

**Components of Goal #9a - Situational Awareness :**

*A. Development of a viable bi-directional U.S. – Canadian emergency communication protocol*

Through a series of Workshops in 2007, the Threshold Goal is focused on raising the awareness of the effected entities, including governmental/regulatory authorities, of the need for electric system operators to maintain reliable communications in times of emergencies, particularly regarding cross-border priority telecommunication for emergency communications.

The Target Goal identifies the components of a viable bi-directional communication protocol(s) that could maintain the same priority level of service and capability across the U.S. and Canadian Border to support reliable cross-border communications among electric system operators, particularly in the event of an emergency situation.

The Stretch Goal expands the efforts further by developing a plan to provide reliable cross border communications among electric system operators during times of emergencies.

*B. Liaison between the Homeland Security Information Network, CIPC, and NPCC Inc. members*

Act as liaison between U.S. and Canadian governmental security agencies, the NERC Critical Infrastructure Protection Committee (CIPC) and NPCC Inc. members regarding applicable security recommendations and requirements, and other applicable security guidelines.

**Components of Goal #9b - Situational Awareness:**

*A. Operational Security*

Coordinate interregional pre-emergency actions in the event of a physical threat to the security of the Northeastern North American bulk power supply system.

*B. Emergency Preparedness*

Coordinate communications within NPCC Inc., and, as required, with neighboring Regions to rapidly exchange critical information and facilitate the procurement of assistance during emergency conditions.

*C. Assist in the development of real time operating tools that assures cyber security concerns are addressed*

Assess and implement NERC Real-Time Tools Best Practices Task Force recommendations applicable to NPCC Inc. members.