Readiness Audit Program

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Readiness Audit Program

● Program Implementation
  ▪ Board established program - February 10, 2004
  ▪ FirstEnergy, MISO, & PJM initial audits in February
  ▪ First readiness audit conducted week of March 8

● Complementary to existing Compliance & Enforcement Program initiatives
Readiness Audit Program Goals

**What:**
Initiate a process to assure that operators of the bulk electric system have the tools process and procedures in place for reliable operation.

**How:**
By helping the control areas and reliability coordinators recognize and assess their reliability responsibilities and how their operation supports those responsibilities.

And, by helping the control areas and reliability coordinators champion the changes required to better meet those reliability responsibilities.
Need for the Audits

- August 14 blackout
  - Deficiencies in control area and reliability coordinator capabilities
- Standards present a threshold, not a target for excellence in performance
- Reliability coordinators and control areas must
  - Be ready to perform - Under emergency conditions
  - Strive for excellence in their assigned reliability functions and responsibilities
Readiness Audit Program

● Purpose of the audit
  ▪ Provide an independent review of control area and reliability coordinator operations
    - Assure preparedness to meet reliability responsibilities
  ▪ Identify areas for improvement
  ▪ Share best reliability practices
  ▪ Constructive
    - Help control areas and reliability coordinators achieve excellence
  ▪ Transparent - Audit reports posted

● Not Compliance Audits
Audit Process

Identify Companies & Develop Schedule

On Site Audit Team Pre-Meeting

Initial Notification

Audit Team Conference

On Site – Document Review, Interviews, Demonstrations

Questionnaires to Company, Neighbors, & RC

Exit Briefing

Report Development and Posting

Approved Process

Process Review & Improvement

Report Development and Posting

Approved Process

NERC Control Area Readiness Audit Procedure
North American Electric Reliability Council
May 05, 2014
Readiness Audit Program Status

As of September 24, 2004

- Audits Completed
  - 37 Control Areas
  - 4 Reliability Coordinators
  - 1 Transmission Operator

- Representing
  - 64% of the Eastern Interconnection
  - 14% of the Western Interconnection
Readiness Audit Program Status

- Future Schedule
  - Fall, 2004
    - 20 Audits Scheduled
      - 21 Control Areas
      - 2 Reliability Coordinators
  - Remaining initial round of audits completed by end of 2006
Improving the Process

- Strong program - continuously seeking to improve
- Performed surveys of those audited
- Held auditors review meeting
  - NERC, Regional, & FERC auditors

- Seek constructive input from:
  - Those audited
  - Audit participants
  - Those reviewing audit reports