

Northwest Hydro Operators Regional Forum

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The opinions and comments
are those of Crystal
Musselman and Alan Cooke
and not those of Avista Corp.
or Tacoma Power

Who Does What?

■ FERC

- 2005 EPA gave FERC authority over Reliability

■ NERC (ERO)

- Write the Reliability Standards

■ WECC (RRO)

- Monitor and Audit compliance with the Reliability Standards

NERC Reliability Standards

- On March 15, 2007 FERC approved 83 NERC Reliability Standards and 6 regional differences, the first set of legally enforceable standards for the U.S. bulk power system
- On May 31, 2007, FERC announced the effective date of June 18, 2007 for mandatory Reliability Standards in the United States

- A reliability standard defines the obligations or requirements of utilities and other entities that operate, plan and use the bulk power system in North America.
- The Bulk Electric System is defined as the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher.

Reliability Compliance Audit

- Tacoma was audited on June 11 – 13, 2007. WECC and NERC were still developing audit tools as Tacoma prepared.
- Avista was the first company in WECC to go through a Compliance Audit after June 18, 2007.
- Both audits lasted 3 days. Current audits are now a minimum of a week.

- 41 of the 83 Reliability Standards were audited.
 - 2008 will consist of 64 Standards
 - All Standards will be audited in 2009

- 9 Auditors (8 WECC, 1 NERC) Audit Team Members
 - WECC Staff
 - NERC
 - FERC

- WECC does not use industry volunteers

- WECC uses auditor guides – RSAWs – to evaluate compliance with Standards.
- Utilities use the RSAWs to prepare.
- Audit is very detailed – every word matters.
- Use version control.
 - Avista uses the one similar to Version History in Standard
- WECC wants experts available during audit.

- Both companies assigned each standard / *RSAW* to a subject matter expert.
- The Leads then worked with others to compile evidence.
- Teams for some standards came from across the entire organization.
- Leads given assignment to coordinate and complete.

Preparing Audit Documents/ Evidence of Compliance

- Matching evidence to requirements
 - Document Name
 - Page Numbers where evidence resides
 - Paragraphs where evidence resides
 - Flag and highlight references
- WECC takes the original, so keep a copy!!!!
- Preparation takes many, many hours and many people.

- Preliminary Audit Findings at exit interview
 - Compliant, by standard
 - Non-Compliant, by requirement by standard

- Draft Audit Report
 - Compare draft to post-audit preliminary!

- Final Report

- Notice of Alleged Violation and Proposed Penalty or Sanction Letter

Internal Compliance Program (ICP)

- Two processes: On-the-ground work to comply and ICP to measure compliance.
- ICP assessed using the CPAW. High ICP score gets credit against fines.
- Even though Avista received an “outstanding” ICP, only 10% credit was given in the penalty calculator.

Lessons Learned

- You can never have enough help!
- Get top and middle management on-board.
- Have an internal audit prior to the real Audit.
- Project Management Software with SharePoint is a very useful set of tools.
- Communicate internally as widely as possible.

Lessons Learned

- Prep your team! Develop awareness of the audit.
- Industry peers are invaluable.
 - Sharing knowledge
 - A shoulder to lean on.
- WECC is there to do a job. It is not a collaborative effort.
- Start formulating your responses to WECC potential violations right after audit.

TIPS

- Institute document tracking software or process now
 - Standard Format
 - 1 active version
- Individual Meetings with Technical Experts
- Monthly or more frequent group meetings with Technical Experts and Management

Surprises?

- Vacations
- Questioned Integrity
- No opportunity to discuss potential violations

FORUMS

- WECC User Group
- WECC (WICF) – Western Interconnection Compliance Forum.
 - www.wicf.biz

Questions?

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