

# Risk-Based Compliance Monitoring and Enforcement Program

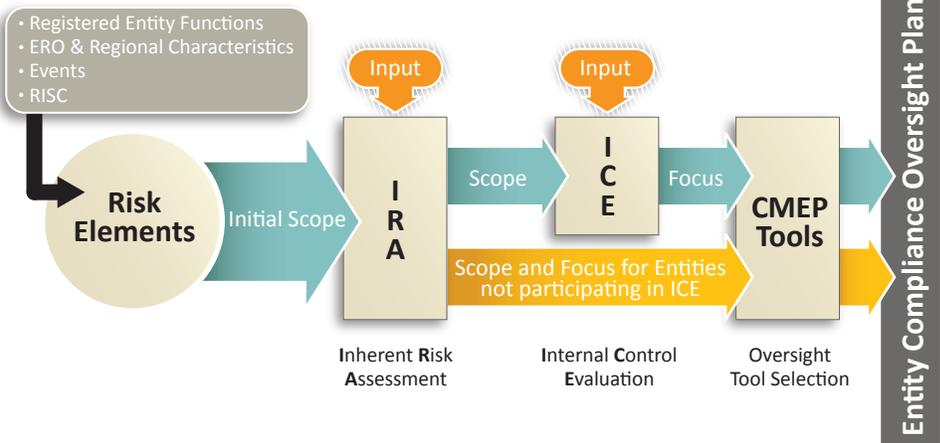
SolutionServices

NERC's Reliability Assurance Initiative (RAI), now called the Risk-Based Compliance Monitoring and Enforcement Program (CMEP) has started, and many entities are evaluating the impact on their compliance program. It can be difficult to know how the effort will affect you and what you need to do to ensure your compliance efforts remain effective.

As one of the leading compliance consultants in the industry, SOS has made understanding the Risk-Based CMEP and how registered entities should adapt to its parameters one of our key goals in 2015.

## Key Components of Risk-Based CMEP

- As a registered entity you are still responsible for complying with the same Standards and Requirements as before.
- NERC and the Regional Entities are looking at system-wide risks to reliability and tying them to related Standards, replacing the Actively Monitored List.
- They will then look at individual entities to determine their individual potential risks to the reliability of the Bulk Electric System (BES)
- Entities will be asked to voluntarily provide information demonstrating the effectiveness of their internal controls for review



How can you best address these components? Using our extensive experience in the electric utility industry, SOS has a variety of services to help you address all or some of these pieces. Whether you are concerned about your risk assessment or your internal controls, SOS is prepared to help you develop or review processes and procedures.

## Self-Performed Inherent Risk Assessment

As part of the Inherent Risk Assessment, the Regional Entity will review all entities to determine their unique risk to the reliability of the BES. By proactively conducting a Self-Performed IRA, you will demonstrate a dedicated approach to managing risk, potentially lowering the number of Standards in your risk assessment.

SOS will work with you to identify potential risks through a review of your:

- Assets
- System
- Geography
- Interconnectivity
- Prior compliance history
- Other unique factors

## Risk-Based Spot Check

Our Risk-Based Spot Check will help you ensure you're addressing the Standards that involve the greatest risk to reliability. Using the results of your Self-Performed IRA, we will identify the Standards for which you are responsible that pose the greatest risk to reliability for your registrations. We will then compare your evidence – RSAWs, policies, processes, plans, procedures, and records – against those Standards and provide a report outlining any gaps in your documentation.

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NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

SOS Intl. and NERC ID SOS\_INTL\_001 is recognized by the North American Electric Reliability Corporation as a continuing education provider who adheres to NERC Continuing Education Program Criteria.

## Internal Controls Review

Most entities already have some internal controls in place – you just may not refer to them as such. Mock audits, compliance procedures, and gap analyses are all forms of internal controls that can only help you better manage your compliance program.

SOS will review your compliance program, identify the processes that qualify as internal controls, and help you build on them – effectively developing an “insurance program” for your compliance. The end result of the review is organized and documented internal controls to potentially reduce the compliance scope and sampling for applicable Standards by the Regional Entity.

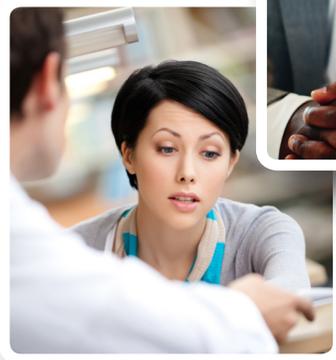
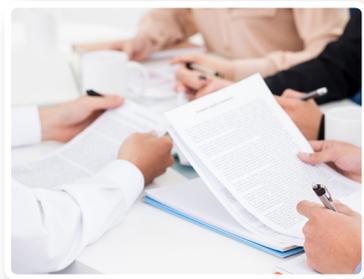
## Compliance Training

While you and your compliance team are managing the impact of the Risk-Based CMEP, educating the rest of your organization around the changes may be harder to do. Let SOS be your “voice of compliance,” explaining the impact of NERC’s initiative and the importance of following any new process.

After all, Risk-Based CMEP is about reliability of the system, not checking the boxes.

As NERC compliance continues to develop and expand, SOS is evolving to meet the industry’s escalating needs. We are adapting and enhancing our existing services to ensure you have the help you need to effectively manage your compliance program and protect the reliability of the BES.

*Call us today for more information.*



**SOS**  
Reliability Matters

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