

NERC COMPLIANCE FUNDAMENTALS

December 11-12, 2017
Andaz Scottsdale
6114 N. Scottsdale Road
Scottsdale, AZ

RELATED EVENT:

NERC CIP: A DEEPER DIVE
December 12-13, 2017 | Scottsdale, AZ

Compliance

OVERVIEW

Bulk electric system entities registered with the North American Electric Reliability Corporation (NERC) continue to wrestle with the complexities of the NERC reliability standards implementation, compliance, and enforcement process. Full audit schedules within each regional entity ensure that the stakes remain high. Critical Infrastructure Protection (CIP) standards add another level of complexity, further demonstrating to the power industry the difficulties of legislating reliability and security.

With the increasing number of new generation and transmission projects being proposed and built, it's important to understand the implications of being a NERC registered entity and the complicated and costly process of compliance. This course is a great place to start for organizations that are a part of the bulk power system in North America. There are a host of important factors to consider that can have a significant impact on operations. One of the key tenets that supports compliance, or can help mitigate a penalty, is a robust culture of compliance. To demonstrate a culture of compliance, a registered entity must show an enterprise-wide commitment to the process.

This course is an in-depth introduction to NERC standards, compliance, and monitoring and is designed to give the necessary background for all staff to understand the concepts and complexities of NERC compliance in order to communicate and build a culture of compliance and reliability and prepare for upcoming audits.

LEARNING OUTCOMES

- Define the role of FERC, NERC and Regional Entities
- Review the background for the NERC standards and discuss major recent revisions
- Explain how violations are determined and identify which standards are the most violated
- Define a culture of compliance and its importance in the compliance monitoring and enforcement process
- Examine strategies to build an internal compliance program
- Examine the NERC CIP requirements: Current version and upcoming revisions
- Analyze the audit process and demonstrate strategies for success before, during, and after an audit
- Discuss emerging trends in NERC compliance including CIP Version 5, the Reliability Assurance Initiative (RAI), the new and emerging standards on Physical Security, Geomagnetic Disturbances, Distributed Energy Resources, etc.

WHO SHOULD ATTEND

- NERC registered entity administrative and support staff
- Compliance managers and directors
- Generation owners and operators to include IPPs and renewable energy project developers
- Transmission owners and operators, including merchant transmission projects
- Attorneys and regulators
- Regional entity and RTO/ISO staff



“Excellent content – helps put standards into context. Everyone responsible for managing FERC/NERC issues should participate in this course.”

Sr. Instructor (FERC/NERC), Xcel Energy

AGENDA

MONDAY, DECEMBER 11, 2017

8:00 – 8:30 am **Registration and Continental Breakfast**

8:30 am – 5:00 pm **Course Timing**

12:00 – 1:00 pm **Group Luncheon**

Overview of NERC Reliability Standards and Requirements

- o NERC as the ERO
- o Overview of entity registration
- o Standards background and drafting process
- o Trajectory of standards
 - Results based standards
 - Regional standards
- o Compliance and enforcement
- o Analysis of most violated non-CIP standards: Hot spots for current versions as well as status of revisions
 - CIP
 - PRC 005
 - FAC 008/009

NERC Compliance in Practice

- Define “culture of compliance ” and strategies to build, communicate and demonstrate a culture of compliance, as mandated by NERC
- The role of a culture of compliance in mitigation
- Preparing for an audit: What to do before, during and after an onsite compliance audit: successful strategies and avoiding common pitfalls
- Discuss the settlement process that occurs after a violation has been found
- Recognize how NERC compliance fits with other enterprise compliance needs and risk management
- Managing documentation and evidence
- Demonstrating a culture of compliance to auditors
- Reliability Assurance Initiative and what it means to you



“This seminar is helpful for those who are trying to determine how to establish a compliance program or are not sure what NERC is looking for during a compliance audit.”

Associate, Venable, LLP



“Exactly what I was looking for!”

Manager - IT Compliance, Montana-Dakota Utilities

AGENDA

TUESDAY, DECEMBER 12, 2017

8:00 – 8:30 am **Continental Breakfast**

8:30 am – 12:00 pm **Course Timing**

NERC Critical Infrastructure Protection (CIP)

This session will provide an overview of the NERC CIP Reliability Standards and provide insight into what it takes to comply with the same on an on-going basis.

- Introduction
- History and Background of the NERC CIP reliability standards
- Common assumptions and mistakes
- Prevalent NERC CIP compliance challenges (Version 3)
- A Word about CIP Version 5
- Overview of the NERC CIP v3 reliability standards
- NERC CIP v5
 - o Overview of Version 5 NERC Cyber Security Standards
 - o Notable differences between Version 3 and Version 5 NERC CIP Reliability Standards
- Tools and resources
 - o A few words about “tools” and NERC CIP compliance
 - o Active Vulnerability Assessment Tools
 - o Danger: Active scanning of ICS environments is risky business!
 - o Resources
- Emerging issues and new standards

INSTRUCTOR



David W. Hilt, P.E.

President and Owner of Grid Reliability Consulting

Mr. Hilt has nearly 40 years of experience in electric power system engineering, operation, and regulatory activities. He has been a manager responsible for the design, specification, and construction of electric substations from distribution to EHV including protective relaying. He has also managed transmission and resource planning activities for a major Midwestern electric and natural gas utility providing expert testimony before FERC and state regulators for transmission expansion and 20 year resource plans. Mr. Hilt has directed the development and installation of state estimation and OASIS systems for a Midwestern Reliability Coordination Center. As a Vice President at NERC, he led the development of the compliance monitoring and enforcement program for the bulk-power system reliability standards in North America working closely with the industry, FERC, and Canadian regulatory authorities. He also developed audit programs and event analysis and investigation preprocess. While at NERC he led the investigation of the August 2003 blackout in the Northeastern United States and Canada providing the technical input to the U.S. - Canada Power System Outage Task Force report. Mr. Hilt's recent experience includes assessment of risk from physical attack and grid resiliency.



“A wonderful learning experience for both new consumers to, and veterans of the world of NERC Compliance.”

Associate, Venable, LLP

AGENDA

TUESDAY, DECEMBER 12, 2017

12:30 – 1:00 pm Registration

1:00 pm – 5:00 pm Course Timing

History and Purpose of NERC Critical Infrastructure Protection Standards and Requirements

- o History of the CIP Standards
 - Urgent Action Standards
 - NERC vs. FERC vs. Congress
- o 706 Reliability Standards – The first enforceable standards
- o CIP Version 5 and Version 6 Reliability Standards
 - Review of the intent and purpose of each standard
 - Understanding each of the requirements
 - Departments involved in meeting the intent
- o Meeting the requirements with outside contractors/vendors
- o Confidentiality provisions
 - New requirements for managing the information
- o Analysis of most violated CIP standards: Hot spots to watch for

WEDNESDAY, DECEMBER 13, 2017

8:00 – 8:30 am Continental Breakfast

8:30 am – 5:00 pm Course Timing

12:00 – 1:00 pm Group Luncheon

History and Purpose of NERC Critical Infrastructure Protection Standards and Requirements - continued

- o Physical Security and CIP-014
 - Coordination with other Physical Security requirements
- o Audit processes and preparation for CIP standards
 - RSAW preparation
 - Data to provide and not to provide
 - Common pitfalls

CIP Compliance in Practice

- Define “culture of compliance ” across the responsible areas
 - o Communication of risk and strategies to build, communicate and demonstrate a culture of compliance, as mandated by NERC
- Organizing for compliance
 - o Decentralized vs. centralized corporate security
 - Options for organization
- The role of a culture of compliance in mitigation
- Confidentiality of the compliance process
- Recognize how NERC compliance fits with other enterprise compliance needs and risk management
- Managing documentation and evidence
- Demonstrating a culture of compliance to auditors for the CIP standards
- Emerging Issues and New Standards

REQUIREMENTS FOR SUCCESSFUL COMPLETION OF PROGRAM

Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

INSTRUCTIONAL METHODS

This course will use PowerPoint presentations and group discussions.

PROCEEDINGS

The proceedings of the course will be published, and one copy will be distributed to each registrant at the course.

EVENT LOCATION

The event is located at the Andaz Scottsdale, 6114 N. Scottsdale Road, Scottsdale, AZ 85253. A room block has been reserved for the nights of December 10-12, 2017. Room rates are US \$229. Call **1-480-368-1234** for reservations and mention the EUCI event to get the group rate. The cutoff date to receive the group rate is November 10, 2017 but as there are a limited number of rooms available at this rate, the room block may close sooner. ***Please make your reservations early.***

IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

EUCI is authorized by IACET to offer 1.0 CEUs for the course.

REGISTER 3, SEND THE 4TH FREE

Any organization wishing to send multiple attendees to this event may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.



"This course provided a good overview of how NERC processes work – from standards development to audits."

Attorney, Venable, LLP

REGISTRATION
to register [CLICK HERE](#) or

Call: 201 871 0474
fax: 253 663 7224
email: register@pmaconference.com
web: <http://pmaconference.com/>
Mail: POB 2303 Falls Church Va 22042

Please make checks payable to: "PMA"

EVENT LOCATION

The event is located at the Andaz Scottsdale, 6114 N. Scottsdale Road, Scottsdale, AZ 85253. A room block has been reserved for the nights of December 10-12, 2017. Room rates are US \$229. Call **1-480-368-1234** for reservations and mention the EUCI event to get the group rate. The cutoff date to receive the group rate is November 10, 2017 but as there are a limited number of rooms available at this rate, the room block may close sooner.

Please make your reservations early.

PLEASE REGISTER

BOTH NERC COMPLIANCE FUNDAMENTALS AND NERC CIP: A DEEPER DIVE

DECEMBER 11-13, 2017: US \$2195,
 Early bird on or before November 17, 2017: US \$1995

NERC COMPLIANCE FUNDAMENTALS COURSE ONLY

DECEMBER 11-12, 2017: US \$1395,
 Early bird on or before November 17, 2017: US \$1195

How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name Job Title

Company

What name do you prefer on your name badge?

Address

City State/Province Zip/Postal Code Country

Phone Email

List any dietary or accessibility needs here

CREDIT CARD INFORMATION

Name on Card Billing Address

Account Number Billing City Billing State

Exp. Date Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx) Billing Zip Code/Postal Code

OR Enclosed is a check for \$ _____ to cover _____ registrations.

Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before November 10, 2017 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices at (201) 871-0474.