

Facility Ratings Task Force Revised Scope

Purpose

The North American Electric Reliability Corporation (NERC) Reliability and Security Technical Committee (RSTC) is a standing committee that strives to advance the reliability and security of the interconnected Bulk Power System (BPS) of North America by:

- Creating a forum for aggregating ideas and interests, drawing from diverse industry stakeholder expertise, to support the ERO Enterprise's mission; and,
- Leveraging such expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS for the benefit of industry stakeholders, the NERC Board of Trustees (Board) and ERO Enterprise staff and leadership.

The NERC RSTC Facility Ratings Task Force (FRTF) will address risks and technical analysis associated with the FAC-008, *Facility Ratings Standards*. The potential areas this task force is evaluating relate to alignment of industry's processes and procedures to assess risk and analytics and prioritize resources with those processes and procedures that focus on prioritization of reliability risks and corresponding resources.

Roles and Activities

Facility Ratings continue to be a source of discussion in the industry related to operational performance, enforcement actions and regulator views about future considerations. Future considerations related to facility ratings are more complex and consider use of utility assets in different manners as compared to a historical view. In order to effectively accommodate that type of conversation, the industry needs to assess the current processes and expectations to ensure the "basics" are covered. The RSTC, in its role serving as the technical expertise and executing the collaborative role with RISC to prioritize efforts related to BES risk response, will delegate responsibility to the FRTF to carry out activities to:

- Provide information to industry on the issues,
- Support industry readiness and success on this topic,
- Foster and facilitate discussions around the issues, risk and potential mitigations or course corrections, and
- Gather industry feedback around recommended solutions that are actionable by either registered entities or industry groups (membership forums, trade associations, technical committees, etc.).

The FRTF will report its work and deliverables to the RSTC, and the RSTC maintains ultimate responsibility for decisions and recommendations to NERC.

- The FRTF recommends the Facility Ratings Task Force transition oversight to the RSTC to continue to provide focus and technical expertise on Facility Ratings, including reliability risk to the grid,

technical analysis, and additional industry perspectives in problem statement definition.

Furthermore, we recommend adding additional technical expertise from the industry to the group for more robust discussion.

- Consideration of implementing new specific cause codes in the availability data systems for tracking and trending of Facility Ratings vulnerabilities. New cause codes may include items such as discovery of changing elements, changes to the most limiting element, Facility Rating changes including de-rates as well as up-rates, de-ratings to equipment, inventory misses, identification of incorrect device ratings or settings, identification of field/inventory mismatches, etc. Causal code analysis will allow for quantification and better understanding of Facility Ratings risk.
- Through the ongoing efforts of the FRTF, the industry should seek understanding and quantifying Facility Ratings risk, however, this may represent a large project that is better served in phases, some of which maybe worked in parallel.
 - Conduct a field test with the industry to gather more information on Facility Ratings and risk analytics.
 - Focus reporting aspects first on changes to the most limiting element and de-rates.
 - Work with industry organizations to gather risk informed technical data to prioritize industry resources on responsiveness to the ERO's risk assessment.
- Industry input, as additional technical analysis occurs, related to the ERO Problem Statement around facility ratings.
- Gather detailed information on the Facility Rating performance issues.
 - Identify support needs and RSTC subcommittees or individual members that have the expertise to review the issues in support of the FRTF.
 - Reach to industry for input on potential readiness issues (e.g., trade associations, membership organization, compliance forums, registered entities, etc.).
 - Initiate or request FRTF discussions as issues are identified.
 - Identify issues representing specific concerns quickly and facilitate swift resolution or communications.
- Evaluate options for industry outreach.
- Develop suggested recommendations related to the issues.
- Present work outcomes to the RSTC for awareness.
- Determine appropriate path for recommendations to be considered and action taken.

Membership

The FRTF membership will be comprised of RSTC members and observers appointed by the RSTC Chair.

1. Composition
 - a. RSTC Members
 - b. RSTC Active Participants (Observers)
2. Leadership
 - a. The FRTF will be chaired with an RSTC member or RSTC Chair appointee.
3. Observers
 - a. The FRTF Chair may invite observers to participate in meetings, which may include additional NERC or Regional Entity staff, as well as RSTC members. Observers may actively participate in the discussion and FRTF deliverables.

Meetings

The FRTF meetings will be scheduled based on workload, as determined by the members. Meetings will be conducted by conference call. Meetings may also occur in conjunction with the regular RSTC meetings. The FRTF meetings will be open to other participants. The FRTF Chair will approve this participation and work with RSTC Chair for any necessary appointments.