



MIDWEST
RELIABILITY
ORGANIZATION

OPPD Compliance Metrics/Key Performance Indicators

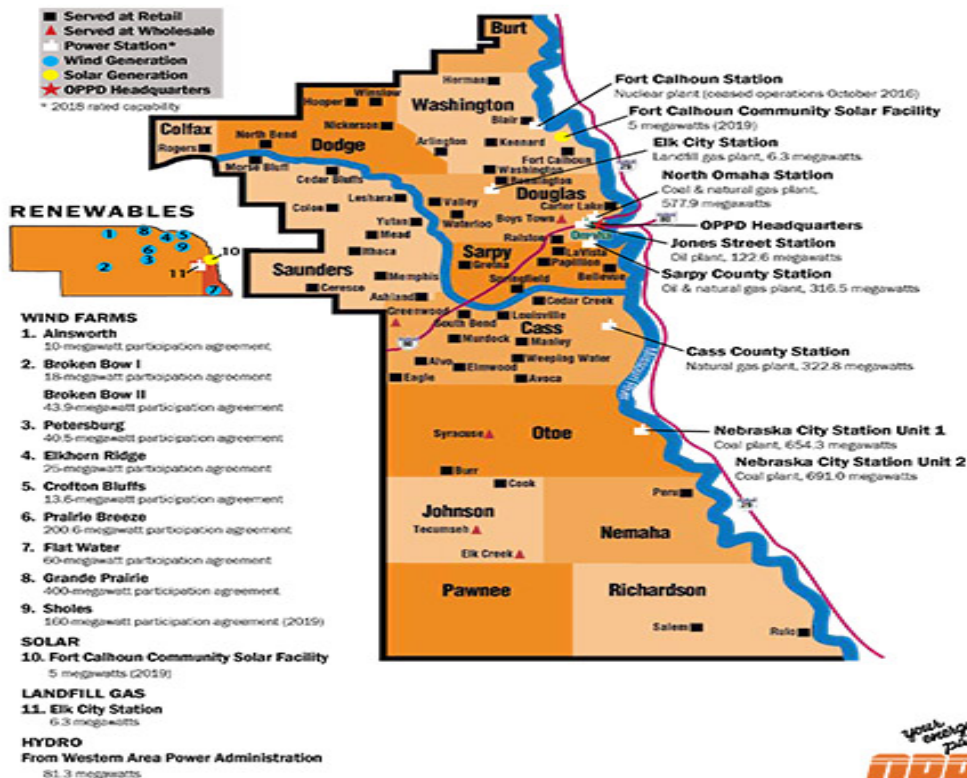
Mahmood Safi, NERC Compliance Manager,
Omaha Public Power District, CMEPAC Member

Disclaimer

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OPPD Service Area



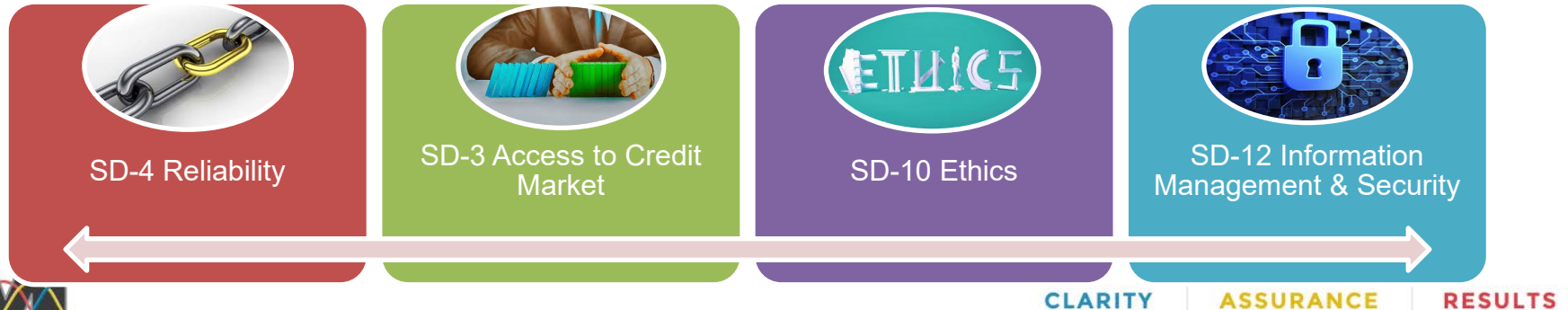
CLARITY

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RESULTS

Background

- **Criteria and standards for compliance program effectiveness assessment**
- **Main Goals**
 - Strong culture of compliance
 - Good compliance standing
- **Compliance Metrics & OPPD Strategic Directives (SD)**



Program Areas & Objectives

Governance Structure

Senior Management & Board Oversight

Program Transparency

Compliance Culture

Compliance Program Management

Violation discovery

Periodic Program Assessment

Reporting Compliance Matters

Awareness & Communications

Compliance Training

Policies and Procedures

New Employee Orientation

Compliance Program Monitoring

Identify Deficiency & Corrective Actions

Measure Performance

Compliance Investigations



NERC Compliance Program Metrics

Metric	Target	Frequency
Compliance Violation Discovery Method on a Rolling 12-months basis	100% violations self-reported	Quarterly
Minimal Reliability Impact of any NERC Compliance Violations	No outage of customers or loss of load or generation	Quarterly
NERC Requirements Ownership Assignment	100% of requirements are assigned to SME(s) at all times	Event-driven
Timely Completion of Compliance Investigations and Inquires	Initial investigation completed within 30 days of reporting	Quarterly
Percent of NERC Compliance Deadline Met	100% of the deadline on time	Quarterly



NERC Compliance Program Metrics

Metric	Target	Frequency
Reliability Compliance Steering Committee (RCSC) Meeting Rate	4 meetings per year	Annual
Reliability Compliance Steering Committee (RCSC) Meeting Participation Rate	➤ 90%	Annual
NERC Compliance Violation Reporting	100% reported to RCSC, Sr. Management & BOD	Event-driven
Compliance Oversight Plan Completion Rate	➤ 33% per year	Annual
Compliance Violation Disposition Index	Information Only	Event-driven
Compliance Near-miss	Information Only	Quarterly



Reliability Performance Indicators

Metric	Target	Frequency
Relay Operations Rate	For trending	Quarterly
Relay Misoperation Rate	For trending	Quarterly
Transmission Outage Caused by Vegetation	For trending	Quarterly
NERC/MRO Events	For trending	Quarterly





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Reliability Standards Compliance Key Performance Indicators

Trevor Stiles, Manager, Reliability Standards
Compliance & Associate General Counsel

Overview

- Why do we measure?
- What do we measure?
- What does it teach us?



Why do we measure?

- **Accountability.** What gets measured gets done.
- **Objectivity.** Let the data drive the narrative, and not the other way around.
- **Trend-spotting.** In a nimble, cost-prudent world, we must be prepared to pivot and adjust. Measurements inform those decisions on resource allocation.



What do we measure?

- **Two concepts:** Key Performance Indicators (KPIs) and Objective-Key Results (OKRs)
- **KPI:** “a measurable value that demonstrates how effectively a company is achieving key business objectives.” *Long-term, data-driven. Health of program.*
- **OKRs:** “a goal-setting framework for defining and tracking objectives and their outcomes.” *Shorter-term, goal-driven. Achievement of activities.*



KPI Types

- **Conditions by . . .**
 - Finding/Reporting (Audit, Self-Report, Self-Log)
 - Disposition (Violation, FFT, Compliance Exception)
 - Discovery Type (Internal vs External)
 - Standard
- **Aggregate**
 - Penalties
 - Compliance Severity Index
 - Reportable BES Events



Underlying Data

- Leveraging two Microsoft tools, SharePoint and PowerBI.
- Custom SharePoint database that includes extensive data on each condition (and near miss).
- PowerBI then imports that data and analyzes it, creating custom dashboards, which are then shared on our internal SharePoint site for our compliance team.
- *All stakeholders at ATC have up-to-the-minute access to performance on our KPIs. Reality is what it is, and transparency builds trust.*

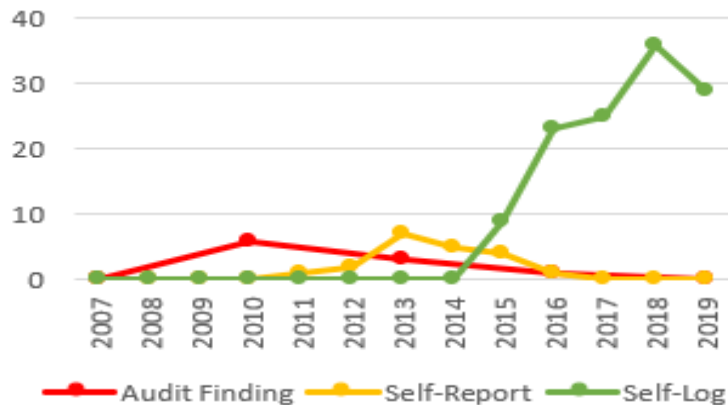


Sample KPI A: Conditions by Finding/Reporting Method

KPI A tracks our self-monitoring trend. Self-monitoring builds credibility with our regulators and helps us manage our own risk. KPI A demonstrates the continued maturation of our program.

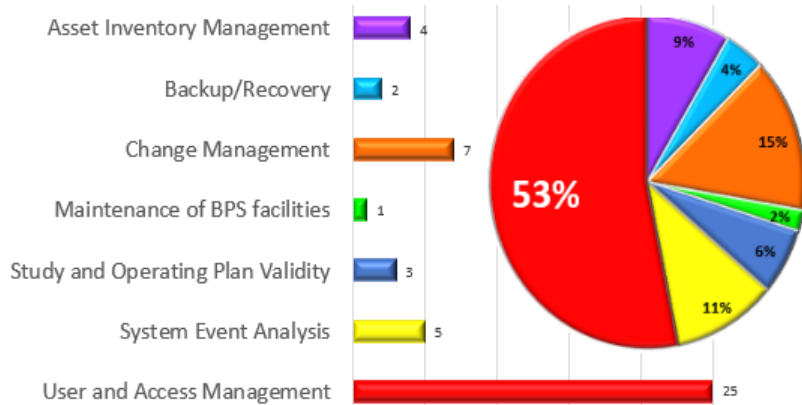
At the inception of the standards, audits provided a means to identify where our implementation did not align with our regulators' interpretation.

In KPI A, we see in these metrics the shift in paradigm from an external oversight model to an internal self-monitoring approach.



Sample KPI B: Conditions by Performance Area

Leveraging MRO's grouping of high-risk Reliability Standards into "performance areas" can offer a new perspective that translates well to key business processes, and one that may bring to light potential systemic, or correlating problems that could otherwise go unrealized.



When compared to regional or national metrics, cumulative data highlights areas of potential concern within:

- key business process areas,
- implemented tools,
- potential silos within the business, or
- changes from new or revised reliability standards.

When evaluated as a trend over time, can be an indicator of:

- old, ongoing, new, or emerging process problems,
- unclear expectations, or
- discontinuity within the organization.



What have we learned?

- **Understand your scope!**
- **Start small.**
- **Put the info in plain language for internal customers.**
- **Keep in mind the big picture.**



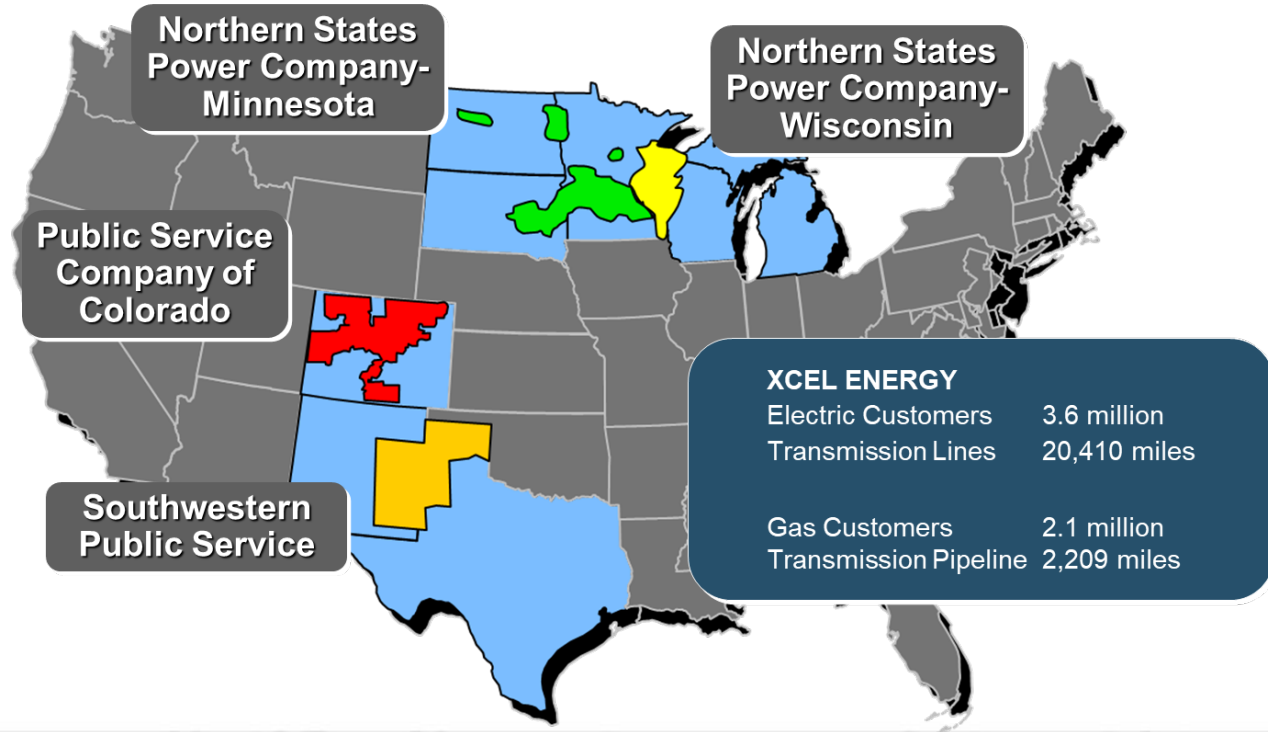


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Xcel Energy Compliance Metrics/Key Performance Indicators

*Thad Ness, Director of Compliance Monitoring
and Policy, Xcel Energy, CMEPAC Member*

Xcel Energy Overview



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RESULTS

Monthly Business Area Dashboards

- **Dashboard distributed to senior leaders in accountable Business Areas each month**
- **Focus on the following for each Business Area:**
 - NERC Compliance Program Activities
 - Recently Identified Potential Non-Compliance
 - Business Area Compliance Trends
- **Real-time dashboards and reports in the GRC system with drill-down capabilities**
 - Past due activities
 - Upcoming activities
 - Compliance trends



Business Area NERC Activities

Activity	Criteria		
	On Track	Milestone Past Due	Past Due - Plan at Risk
Implementation Plans	On Track	Milestone Past Due	Past Due - Plan at Risk
Annual NERC Roadmap Updates	On Track	Approval Past Due	Requirement Narratives > 30 Days Past Due
Regulatory Data Request	On Track	Data Request Past Internal Due Date	Past Due – At Risk
Potential Non-Compliance Notification	On Track	> 30 days to notify	> 60 days to notify
Self-Report Development	On Track	N/A	Draft Self-Report Past Due
Mitigation Development and Monitoring	On Track	Milestone Past Internal Due Date	Mitigation Milestones at Risk
Internal Assessment Engagement	On Track	Milestone Past Due	Plan at Risk
Internal Controls Plan	On Track	Milestone Past Due	Plan at Risk



Lessons Learned

- **Ensures we have alignment on program activities and initiatives**
- **Leadership awareness of challenges & opportunities**
- **Dynamic GRC dashboards enhance monitoring by Business Areas**
- **Start small and adjust as necessary**

