



vermont electric power company
VELCO
(TOP, TO, TP & TSP)

NERC Audit Results

Operating Committee
September 2021

Presentation Overview

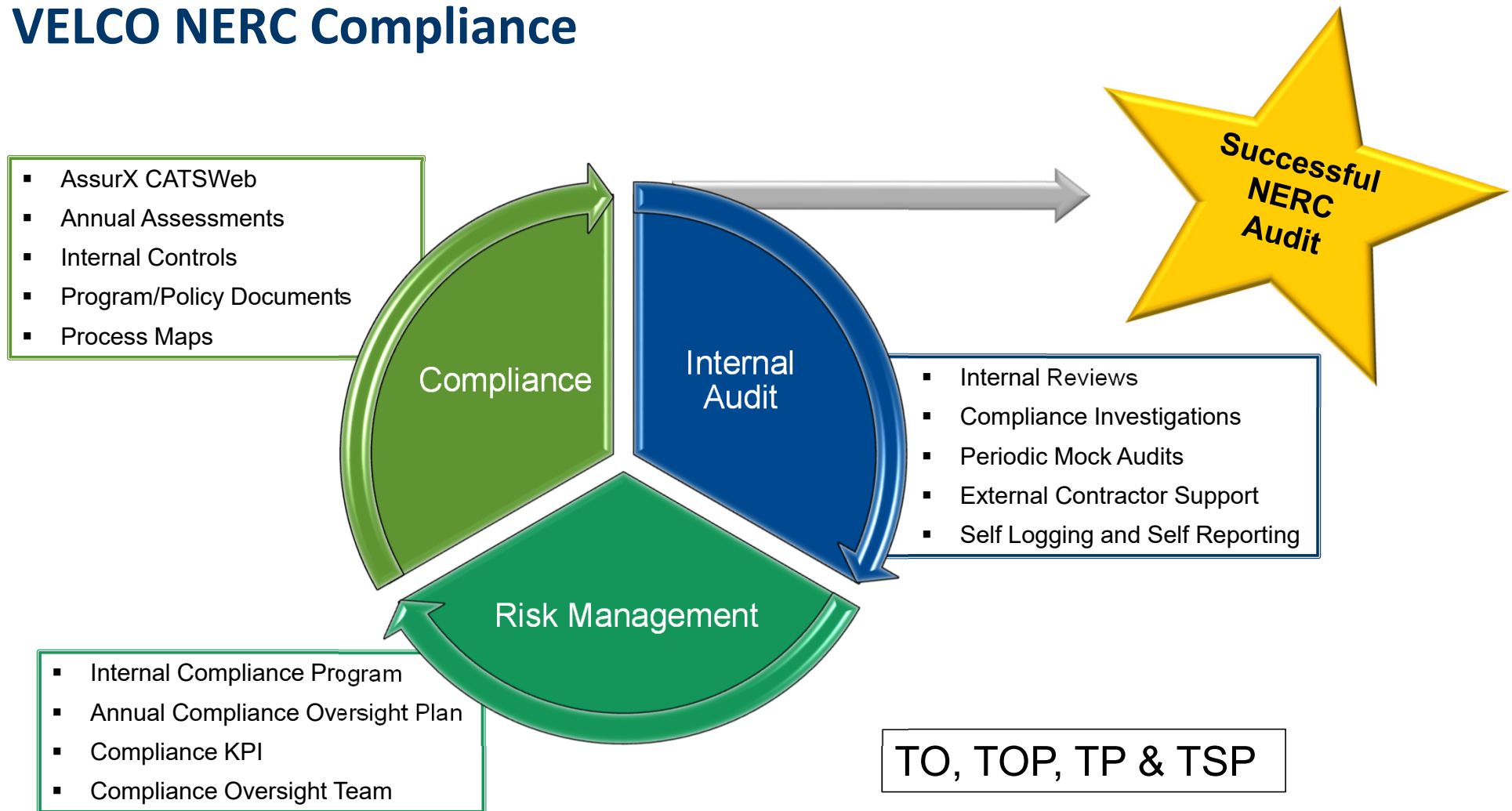
- VELCO NERC Compliance Overview
- Preparing for an audit
 - Preparation and performing a Mock Audit
- NERC Audit Process
 - NPCC Initial Request
 - Initial Submittal & Level 1 ERT
 - Submittal: RSAWs & Level 2 Requests
 - Audit Data Request Submittals – 2 rounds
- Audit Results
- Summary of Audit



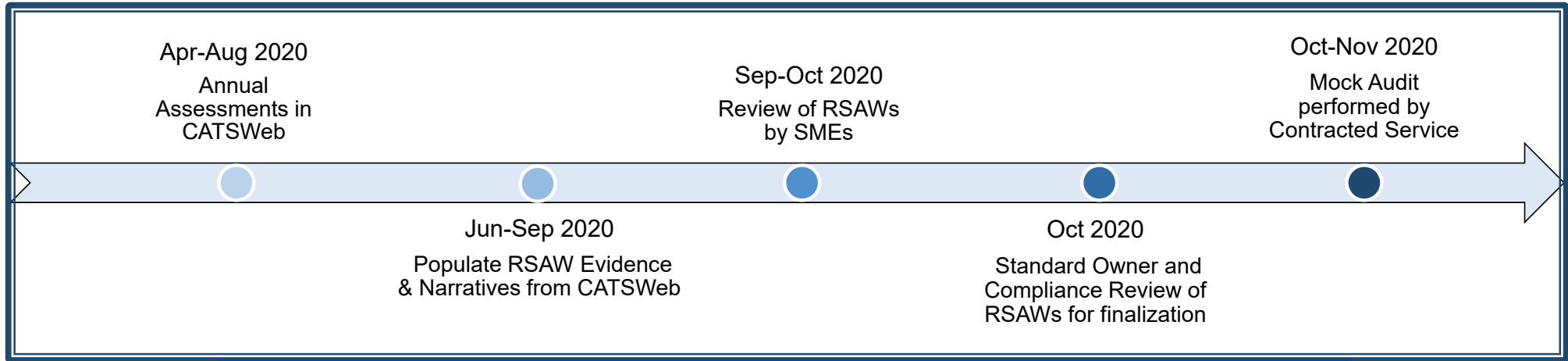
VELCO is our people...

The employees of VELCO bring deep know-how, passion and creativity to ensuring the reliability of Vermont's power grid today and finding innovative ways to serve Vermont's future energy vision.

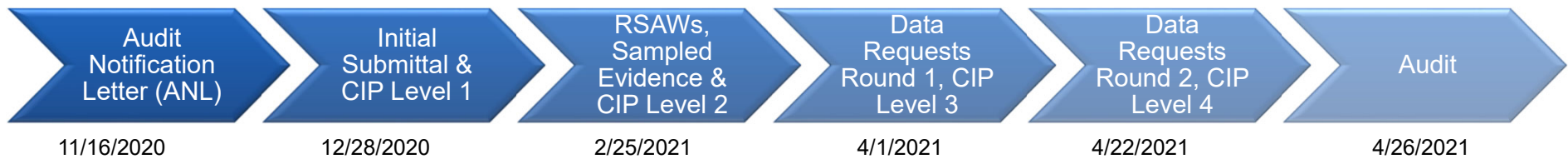
VELCO NERC Compliance



Preparing for an Audit

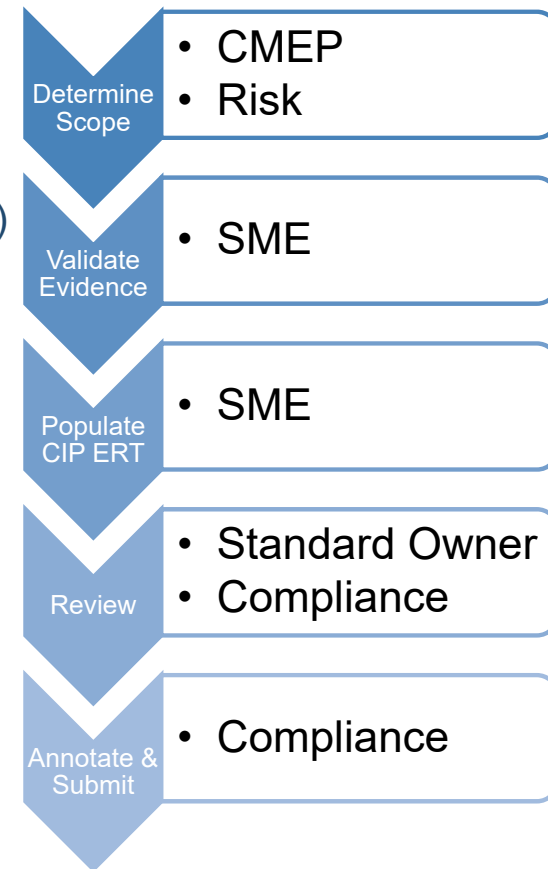


NOTE: Reliability Standard Audit Worksheet (RSAW)



Preparation for the Mock Audit (approx. 6 months)

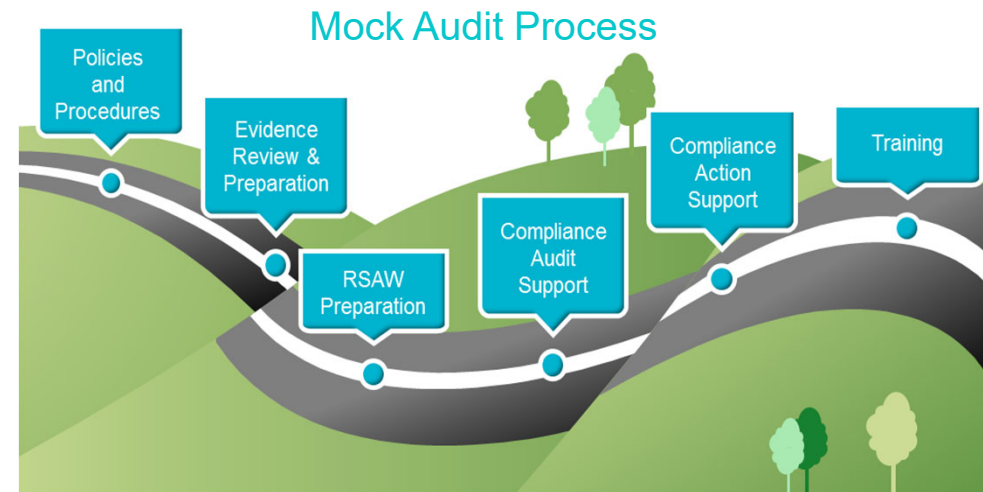
- Estimate Scope based on Compliance Monitoring and Enforcement Program (CMEP) from NERC/NPCC
 - 17 O & P Standards, 63 requirements (with sub-reqs part of narratives)
 - 12 CIP Standards, 38 requirements (104 total sub-reqs to provide narratives)
- Annual Assessments
 - SME review and update of 'Basis for Compliance' narrative and completeness of evidence
 - Standard Owner and Compliance review of the narrative and evidence
- CIP Evidence Request Tool (ERT) population
- RSAW Population
 - Compliance populates RSAW including links to evidence
- Final Review by SMEs, Standard Owners and Compliance
- Compliance Submittal of Information to Mock Auditors



NOTE: Reliability Standard Audit Worksheet (RSAW)

Mock Audit (1.5 months)

- Auditors review of submitted information (1 month) – Data Requests submitted
- SME Interviews by Mock Auditors
 - 3 ½ days of Interviews for CIP
 - 3 days of interviews for O & P
- Mock Audit Final Report (provided 11/18/2020)



		Recommendations			
	# Stds	High	Moderate	Low	Total
O & P	17	10	21	38	69
CIP	12	1	13	101	115

- Recommendations used to update RSAW narratives and Evidence for the Audit

NERC Audit – ANL and Initial Submittals

- ANL specified audit scope and due dates (11/16/2020)
 - Scope determined by Compliance History, Inherent Risk Assessment and Compliance Oversight Plan

	Stds	Reqs	Audit Period	NEW SCOPE
CIP	7	19	3 yrs, 8 mos	5 stds, 13 reqs
O&P - TOP	8	30	2 yrs, 6 mos	7 stds, 23 reqs
O&P - TO, TP, TSP	6	19	5 yrs, 7 mos	3 stds, 10 reqs
Totals	21	68		15 Stds, 46 Reqs

- Initial Submittal (12/28/2020)
 - Questionnaire, Survey, Internal Compliance Program (ICP), Organization Chart
 - Listings of equipment for random sampling (PRC-005 and FAC-008)
 - Evidence Request Tool (ERT) for CIP Random Sampling – listing of assets in scope
- Email and new ANL reducing audit scope due to virtual audit (1/14/2021)



RSAWs, Sampled Evidence and Data Request Submittals

Submittal Date	Submittal	# Questions	# Files	Submittal Size
2/25/2021	RSAWs	-	1235	1.36 GB
	Sampled Evidence (O&P)			
	CIP Level 2 ERT			
4/1/2021	DR Round 1 (O&P)	211	309	550 MB
	CIP Level 3 ERT	32	27	16.4 MB
4/22/2021	DR Round 2 (O&P)	53	28	33.1 MB
	CIP Level 4 ERT	18	9	8.68 MB



Audit Submittal Package – RSAWs & Level 2 Requests



2021 NERC Compliance Audit
April 26-30, 2021

CIP Audit Period 3/23/2017-11/16/2020
TOP Audit Period 5/16/2018-11/16/2020
TO, TPL, TSP Audit Period 4/23/2015-11/16/2020

Standards Being Audited

CIP-002-5.1a	FAC-008-3
CIP-005-6	FAC-008-3 Data Request
CIP-007-6	FAC-014-2
CIP-010-3	PER-005-2
CIP-013-1	
COM-002-4	PRC-005-6
	PRC-005-6 Data Request
EOP-005-3	TOP-001-4
EOP-008-2	
EOP-011-1	TPL-001-4

Audit Documents

INTRODUCTION – Please Read First

[VELCO Overview Presentation](#)

[Level 2 ERT Evidence](#)

[NPCC ERT Tab Evidence](#)

[IT Process Maps for CIP](#)

[Certification Letter](#)

VELCO Overview

- Corporate Structure
- Managed assets and load area
- Control Centers and support facilities
- Key Projects
- NERC Compliance within New England
- VELCO's GRC used to manage NERC Compliance

Providing a well organized audit package with links and structure assists the auditor in finding all pertinent information.

_2021 NERC Audit > _Submittal > VTTransco02252021.zip

Name	Type
Additional	File folder
Level 2 ERT Requests	File folder
CIP-002-5.1a	File folder
CIP-005-6	File folder
CIP-007-6	File folder
CIP-010-3	File folder
CIP-013-1	File folder
COM-002-4	File folder
EOP-005-3	File folder
EOP-008-2	File folder
EOP-011-1	File folder
FAC-008-3	File folder
FAC-014-2	File folder
PER-005-2	File folder
PRC-005-6	File folder
TOP-001-4	File folder
TPL-001-4	File folder
VELCO_2021_NERC_Audit_Start_Page.docx	Microsoft Word Doc

« _2021 NERC Audit > _Submittal > COM-002-4

Name	Type
R1	File folder
R2	File folder
R4	File folder
R5	File folder
RS AW COM-002-4_2016_v3.docx	Microsoft Word Doc



Audit Interviews



- 11 auditors and 2 Leads (CIP and O&P) from NPCC
- 11 SMEs, 16 SME Supporters and 3 Compliance members



- CIP and O&P Interviews with SMEs occurring concurrently
- Interview with System Operator for several O&P Standards



Audit Results

We did get more recommendations than in past years, but these recommendations will serve to strengthen our compliance program overall, thus improving reliability and security.

All recommendations have been added to CATSWeb Compliance tool for tracking to completion.

Audit Results Summary

Potential Noncompliance	• Total: 0	CIP: 0	O&P: 0	
Areas of Concern	• Total: 0	CIP: 0	O&P: 0	
Recommendations	• Total: 23	CIP: 12	O&P: 11	
Positive Observations	• Total: 13	CIP: 6	O&P: 4	Both: 3

Summary of Audit

- Virtual audit perspective – pros and cons
 - Allowed for better real-time support of the SMEs
 - Hard to ‘read the room’ virtually – expressions, body language
- Preparation
 - Mock Audit, Data Requests, Interviews
 - Audit, Data Requests, Interviews
 - Impact to SMEs still performing their ‘day jobs’
- Audit Experience
 - Revealed no compliance issues
 - Areas to improve on per NPCC



Thank You

Any Questions



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