

SERC Compliance Monitoring and Enforcement Program

Implementation Procedure 7.0 Remedial Action Directives



SERC CMEP Implementation Procedure 7.0: Remedial Action Directives

Revision History

Revision	Date	Originator	Comments
0	May 31, 2007		Document Origination.
1	October 19, 2009	N. Fallon	Various editorial changes. Added process steps to: (1) provide more detail; (2) address consultation with NERC prior to issuing a RAD; (3) include close-out steps. Added Cross Reference Table and deleted Appendix A.

Cross Reference Table

The procedures listed in the table below refer to this procedure, Compliance Implementation Procedure 7.0: Remedial Action Directives. As revisions are made to Procedure 7.0, the Originator should review the procedures listed to determine if corresponding changes to these procedures are warranted.

Procedure Number	Procedure Title
5.0	Consolidated Compliance Enforcement Tracking

Responsible SERC Group(s)

SERC Board Compliance Committee (BCC)

Review and Re-Approval Requirements

This document will be reviewed every two years or as appropriate for possible revision. The existing or revised document will be re-approved by the SERC Board Compliance Committee (BCC), distributed by the Compliance Director to all applicable SERC staff, and posted on the website for Registered Entity and SERC Member reference.

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1.0 Purpose

A Remedial Action Directive (RAD) is defined in the SERC Compliance Monitoring and Enforcement Program (CMEP) document as follows: An action (other than a penalty or sanction) required by a Compliance Enforcement Authority that (1) is to bring a Registered Entity into compliance with a Reliability Standard or to avoid a Reliability Standard violation and (2) is immediately necessary to protect the reliability of the bulk power system from an imminent threat.

SERC may issue a RAD at any time, including during any procedures related to an Alleged Violation of a Reliability Standard. As stated in the definition, SERC may also issue a RAD when such action is immediately necessary to protect the reliability of the bulk power system from an imminent threat.

The purpose of this procedure is to detail steps associated with initiating and implementing a RAD. A RAD may include, but is not limited to, any of the following: specifying operating or planning criteria, limits, or limitations; requiring specific system studies; defining operating practices or guidelines; requiring confirmation of data, practices, or procedures through inspection testing or other methods; requiring specific training for personnel; requiring development of specific operating plans; directing a Registered Entity to develop and comply with a plan to remediate a violation; imposing increased auditing or additional training requirements; and requiring a Registered Entity to cease an activity that may constitute a violation of a Reliability Standard.

2.0 Responsibilities

The SERC Compliance staff is responsible for implementation of applicable sections of this procedure.

3.0 References

- SERC CMEP Sections 5.3 and 7.0
- NERC Security Guidelines for the Electricity Sector

4.0 Procedure Steps

4.1 Reliability Standard Remedial Action Directive (RAD) Development

4.1.1 The SERC Compliance staff identifies issue(s) that represent a potential threat to the Bulk Electric System (BES) and notifies the Compliance Director. Identification occurs during issue screening under SERC Compliance Implementation Procedure 5.0, Consolidated Compliance Enforcement Tracking, upon review of system events and disturbances, or through other sources.

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Should issues that represent a potential imminent threat to the bulk electric system- potentially meriting a RAD- arise during off hours (e.g. weekends or holidays) , the on-call screener will immediately notify the Compliance Director or his designee.

4.1.2 Once an issue is identified, the Compliance Director directs a member of the Compliance Staff to take the following steps:

- Confirm that SERC has accurate and complete information concerning the issue
- Validate the potential imminent threat to the bulk electric system
- Attempt to obtain Registered Entity concurrence on the potential impact to the bulk electric system and appropriate steps to mitigate the issue.

4.1.3 The Compliance Director directs a member of the Compliance Staff and/or other SERC staff to contact the Registered Entity's Reliability Coordinator(s) and confirm the following:

- SERC has identified a potential imminent threat to the bulk electric system (BES). All conversations should be considered confidential in accordance with SERC Implementation Procedure 9.0, Data Management and Confidentiality, and should not be discussed with anyone that does not have the direct need to know to mitigate the potential threat.
- Reliability Coordinator has no data or information that would show the issue, event, or system condition did not pose potential imminent threat to the bulk electric system.
- Reliability Coordinator does not have an action plan in place that addresses the issue

4.1.4 The SERC staff member works with the Registered Entity and evaluates potential actions to resolve the imminent threat to the bulk electric system. Consideration should be given to the circumstances of the potential threat, including whether the issue represents a possible repeated violation of the same or similar standard, in determining the extent and expediency of any needed RAD.

4.1.5 SERC Compliance Staff determines whether the Registered Entity has or will implement appropriate and timely actions to mitigate the imminent threat to the BES. If so, SERC documents those agreed to actions in a letter to be issued by the Compliance Director or his designee during the next business day.

4.1.6 If the Registered Entity will NOT implement appropriate and timely actions to mitigate the imminent threat to the BES then the SERC Compliance Staff proceeds to step 4.2.

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4.2 Remedial Action Directive (RAD) Issuance

The preferred method of developing and issuing a RAD would include participation of the affected Registered Entity and associated Reliability Coordinator(s), other affected Regional Entities, and NERC. If the Registered Entity chooses not to participate, discussions should occur between SERC and the associated Reliability Coordinator(s), other affected Regional Entities, and NERC.

4.2.1 SERC Compliance Staff, in consultation with NERC and the affected Regional Entity, develops a RAD in the form of a formal notice that includes:

- A list of the possible violations or violations of Reliability Standards that give rise to the directive
- The factual basis for the directive
- Specific actions needed to address the condition such as:
 - Specific operating or planning criteria
 - Limits or limitations
 - Specific system studies
 - Defining operating practices, plans or guidelines
 - Specific training
 - Specific testing or other criteria
 - Requiring increased auditing of the entity
 - Directing entity to cease an activity that may constitute a violation of a Reliability Standard
- Deadlines for completing all associated actions
- Whether the RAD obviates the need for a Mitigation Plan
- Notification that failure to comply with the Directive, including the deadline, may result in further RADs and/or significantly increased sanctions
- Information that the Registered Entity has the right to contest the RAD and request an expedited hearing
- Requirements for the Registered Entity to periodically report on the status of its execution of the RAD including the specified frequency for such reports.

4.2.2 SERC Compliance Staff verifies that the RAD, as defined, does not conflict with any guidance or directive in place by applicable Reliability Coordinator(s). The Compliance Director may, at his discretion, request a legal review of the proposed RAD before it is issued.

4.2.3 Compliance Director or designee notifies the SERC President, SERC Board Compliance Committee and NERC of its intent to issue the RAD.

4.2.4 Compliance Director issues the RAD electronically to the Registered Entity's designated contact person with read receipt and via registered mail scheduled for overnight delivery by a recognized express courier service that provides tracking and verification of delivery to the recipient. The date of delivery as specified by the express courier service's verification of delivery shall be the date of actual receipt of the RAD.

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4.3 Actions Following Issuance

4.3.1 Once SERC has notified the Registered Entity of the RAD, the Registered Entity may contest the RAD by giving written notice to SERC within two (2) business days following issuance of the directive and may request an expedited hearing. The hearing shall be conducted under the expedited hearing process set forth in Compliance Implementation Procedure 5.3, Hearing Process.

4.3.2 The Registered Entity may proceed with implementing the RAD even if it is contesting the RAD.

4.3.3 SERC Compliance Staff will monitor implementation of RADs as necessary to verify compliance.

4.3.4 The Registered Entity shall confirm completion of the required actions in the RAD by submitting a certification of completion addressed to the Compliance Director via email to serccomply@serc1.org. Such confirmation shall include sufficient evidence to demonstrate completion of the required actions.

4.3.5 Upon receipt of such confirmation, SERC Compliance Staff will review the evidence and may request additional evidence or other follow up to verify the Registered Entity's completion of the directed actions.

4.3.6 Upon SERC Compliance Staff's verification of completion of the RAD directed actions, SERC will notify the Registered Entity and NERC and any affected Regional Entities of the completion of the RAD.