



NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION



NERC Compliance Monitoring and Enforcement Program

Texas Regional Entity

2009 Implementation Plan

November 2008



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1. Introduction

1.1 Compliance Program Overview

This document describes the background principles along with assessment and enforcement methods used to execute the Electric Reliability Council of Texas (ERCOT) Regional compliance program for North American Electric Reliability Corporation (NERC) Reliability Standards. Further details are contained in NERC's Rules of Procedure and the Regional Delegation Agreement between NERC and Texas Regional Entity (Texas RE). Sections below and attachments describe the assessments and enforcement related activities planned in 2009.

1.2 Implementing Procedures

In the United States, the North American Electric Reliability Corporation (NERC) has delegated its compliance and enforcement authority to Regional Entities, along with certain other duties such as Regional Standards development. All are described in NERC's Rules of Procedure. Within ERCOT's metered area, Texas RE is assigned to monitor, assess, and enforce compliance to NERC's reliability standards by owners, end-users and operators of the bulk power system in accordance with the Regional Delegation Agreement approved by the Federal Energy Regulatory Commission (FERC). These delegated functions include, but are not limited to: registration, data gathering, data reporting, monitoring, investigations, auditing, evaluating and determining compliance and non-compliance, imposing penalties and sanctions, and approving and tracking mitigation plans. Further details can be found in Texas RE's Regional Delegation Agreement filing, along with the Texas RE business plan and budget information.

The 2009 Implementation Plan is based on:

- NERC Rules of Procedure
- Compliance Monitoring and Enforcement Program
- Regional Entity Delegation Agreements
- NERC Board of Trustees and regulatory-approved Reliability Standards
- History of the compliance activities and findings
- Input from reliability performance
- Risk based criteria scope for compliance audits and self certifications

The objective of the Implementation Plan is to:

- Promote the reliability of the bulk power system through rigorous compliance monitoring and enforcement activities

2. Texas Regional Entity Compliance Program Organization

2.1 Governance

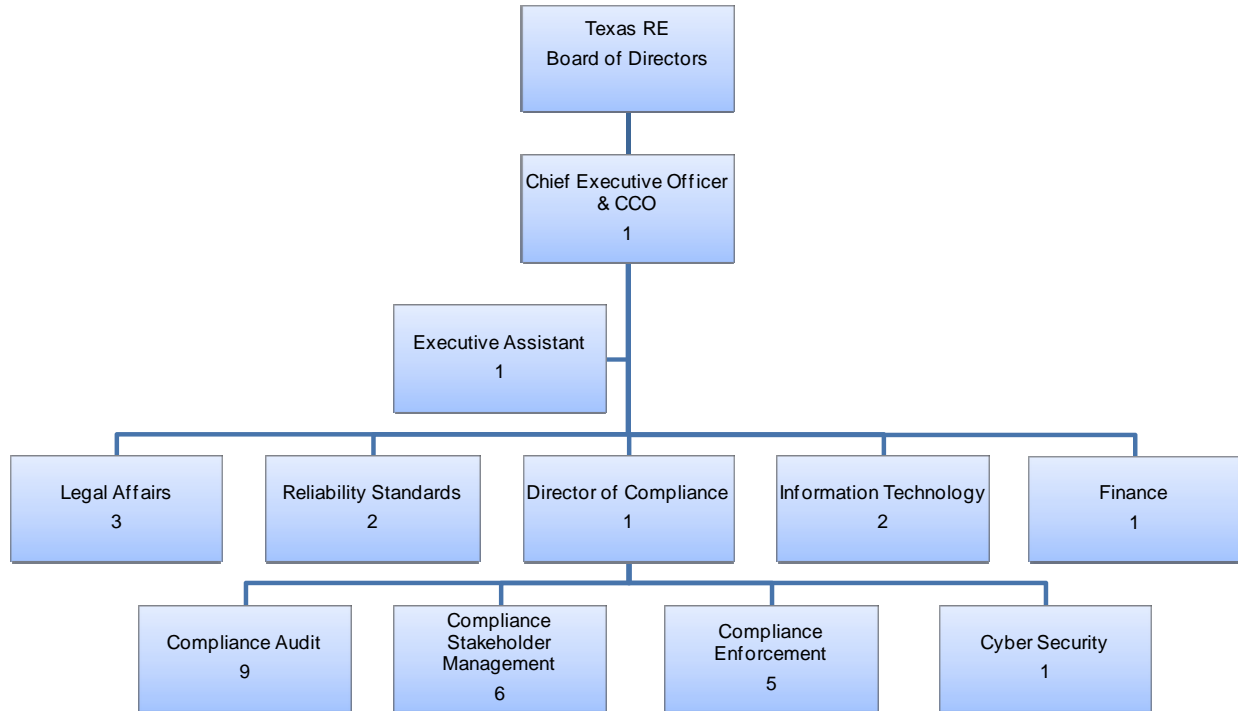
Texas RE has been established as an independent division of ERCOT, with provisions made in the ERCOT corporate bylaws to provide the separation necessary to fulfill NERC requirements in this area. The Texas RE Board of Directors governs overall activities including compliance functions; its membership includes representation of different industry market segments. Texas RE is led by a chief executive officer with the title CEO and Chief Compliance Officer (CCO) who reports to the Texas RE Board and directs staff to achieve the stated program goals. Texas RE is also not dependent on stakeholder committees in its NERC compliance roles, although reports are provided to ERCOT Regional committees, subcommittees and technical working groups. Further details can be found in Texas RE's Regional Delegation Agreement filing, along with the Texas RE business plan and budget information.

2.2 Compliance Staff Role

Texas RE staff handles all activities within the Region for registration, compliance monitoring and enforcement. Industry volunteers or stakeholder technical committees are not part of these duties. Contractors may be used to augment staff but are not presently part of the work plan for compliance assessment duties. Any contractors used will work under the direction and review of Texas RE in accordance with NERC's Rules of Procedure.

The staff, chiefly responsible for compliance-related activities, is organized into the Compliance group under the Director of Compliance. The Compliance Audit and Verification subgroup will perform most of the compliance monitoring duties. The Compliance Enforcement subgroup will perform most enforcement duties, and will work with the Legal group as needed to process violations. The Compliance Stakeholder subgroup will maintain registration and overall work progress, provide notifications and assure that records and documents are maintained. The Cyber Security subgroup will provide expertise in and verification of the CIP standards.

Texas RE's 2009 organization chart is provided below.



3. 2009 Program Implementation - Discovery

3.1 Application of Discovery Methods under the CMEP

The Texas RE 2009 CMEP will include all regulatory authority approved Reliability Standards subject to spot checks, compliance violation investigations and complaints. NERC and the Regional Entities developed a risk based criteria for determining the scope of 2009 compliance audits and self certifications. The risk based criteria will help compliance auditors focus on the Reliability Standards that if violated pose the highest risk to the reliability of the bulk power system.

Texas RE expects to utilize the monitoring methods as described in Section 3 of Appendix 4C of NERC's Rules of Procedure, the uniform Compliance Monitoring and Enforcement Program (CMEP). Texas RE will use internal procedures, checklists and forms to aid in execution of the steps required in the CMEP. After review, any possible violations uncovered by these means will be handled through the enforcement actions detailed in Section 5 of the same document. The designated primary compliance contact at the Registered Entity shall serve as the single point of contact with Texas RE for communication regarding monitoring and assessment.

3.1.1 Compliance Audit and Self Certification

Requirements have been selected based on risk to the reliability of the bulk power system for inclusion in the 2009 compliance audits and self certifications. The risk based criteria includes Reliability Standard requirements that have been identified:

- With a high Violation Risk Factor.
- In the NERC top 10 list of allegedly violated Reliability Standards.
- In past events and major reliability issues.
- As a regional variation. (This will be a Regional Entity specific selection.)
- As cyber security Reliability Standards (all requirements in Critical Infrastructure Protection [CIP] Reliability Standards).
- In the audited entity's past performance. (This will be an audited entity-specific addition to the audit scope.)
- As a result of a Registered Entity increasing its compliance responsibility due to mergers or acquisitions. (This will be an audited entity-specific addition to the audit scope.)

NERC identified forty-nine (49) specific Reliability Standards including four hundred eighteen (418) requirements for 2009 compliance audits and self certifications. In addition, NERC identified three (3) additional Reliability Standards including an additional one hundred thirty (130) requirements for self certifications (CIP-005-1, CIP-006-1, and TPL-004-0).

Compliance Audits

Auditing is the primary tool for compliance monitoring. All Registered Entities are subject to audit for compliance with the Reliability Standards applicable to the functions for which the entity is registered. All compliance audits shall be conducted in

accordance with audit guidelines established by NERC. Audits begin with notification of the entity and questionnaires sent two months prior to the published audit time. Steps outlined in Section 3.1 of the CMEP will be followed in conducting the audit and issuing the audit report, in addition to the NERC Compliance Auditor Manual. Feedback will be requested from the Registered Entity following the audit, using forms and steps developed and amended by NERC for this purpose. As noted earlier, current plans call for Texas RE staff to perform all audits, which will examine those standards included in the 2009 actively monitored program, and to also review evidence for previous year's compliance with standards in the 2008 actively monitored program (to the start date of the program, June 18, 2007). Texas RE auditors – whether staff or possible contractors – will abide by the code of conduct, respect confidentiality and conflict of interest provisions, and complete NERC auditor training prior to participation in audits.

As the ERCOT ISO presently holds the only registration for top level NERC functions of Reliability Coordinator, Balancing Authority, and Transmission Operator, Planning Authority, and Resource Planner, Texas RE plans to conduct an on-site audit in 2009 of those standards added to the program in 2009 that are applicable to the ISO, as well as review any issues from previous audits or assessments (the ERCOT ISO was audited in 2007 and in again in 2008.) NERC staff will play a lead role in this audit. Other ERCOT entities who maintain a local control center in direct operational communication with ERCOT have received audits on a three-year cycle, and that effort will continue in 2009. These entities have local control centers connected to the ERCOT ISO's wide-area communications network and have also signed agreements under the ERCOT Protocols as Transmission and Distribution Service Providers (TDSP's) or Qualified Scheduling Entities (QSEs). These entities typically hold NERC Registrations as Transmission Owners or Generator Operators, respectively (although other arrangements may exist). These audits involving the ISO and local control centers will be conducted on-site at the entity. Within the ERCOT Region, compliance audits for other entities will be on a six-year cycle consistent with their NERC registration. These audits are planned as off-site reviews. Texas RE may additionally request unscheduled audits following events or significant changes in an entity's status.

All ongoing and completed Mitigation Plans will be included in the compliance audit scope. Regional Entities must provide the Mitigation Plan status to the compliance audit team including documentation and evidence of validation for completed Mitigation Plans.

Section 3.1.2 contains the proposed schedule of all NERC compliance audits to be conducted in 2009 and includes the identity of the entity scheduled for audit.

Self-Certification

Texas RE will continue to use self-certification by Registered Entities to affirm that they meet requirements of applicable, actively monitored Reliability Standards in the 2009 program. Registered Entities subject to a compliance audit during the 2009 program year will not typically be expected to provide a self-certification.

Past years' self-certification involved transmittal and completion of a response form that listed applicable standards. Texas RE plans to roll-out a web-based portal similar to that used by some of the other Regions. As in the past, and in accordance with the NERC CMEP Section 3.2, Registered Entity notification will be provided at least 30 days prior to due dates to prepare their response. Typically, data is not included with self-certifications. The data will be reviewed and validated via subsequent audits or spot (i.e. random) checks. Texas RE will review all self-certifications and determine the final status of compliance where possible violations are indicated by the Registered Entity, which may require contacting the entity for supplemental information to provide a record. Details on self-certifications will be posted on the Texas RE Web page to assist Registered Entities.

Self-certifications were sent out on September 1, 2008. Responses were due on October 1, 2008. Texas RE is currently reviewing the entities' responses.

3.1.2 2009 Compliance Audit Schedule

Texas RE's proposed 2009 audit schedule can be found in Section 8c of this document.

Texas RE's proposed 2009 Audit Schedule contains both on-site and off-site components. This distinction is only relevant to the location of the audit activities. Both onsite and off-site audits are compliance audits and are performed via the same process. The only difference is logistics.

3.1.3 Semi-Annual Self Certifications for CIP-002-1 through CIP-009-1 Reliability Standards

For 2009, compliance assessment with CIP-002-1 through CIP-009-1 includes validating the Responsible Entity's status of BW (Begin Work), SC (Substantially Compliant), C (Compliant), and AC (Auditably Compliant), per the implementation tables in Section 8d. A special survey / questionnaire has been developed in coordination with NERC.

- "Begin Work" means a Responsible Entity has developed and approved a plan to address the requirements of a Standard, has begun to identify and plan for necessary resources, and has begun implementing the requirements.
- "Substantially Compliant" means an entity is well along in its implementation to becoming compliant with a requirement, but is not yet fully compliant.
- "Compliant" means the entity meets the full intent of the requirements and is beginning to maintain required "data, documents, documentation, logs, and records".
- "Auditably Compliant" means the entity meets the full intent of the requirement and can demonstrate compliance to an auditor, including 12-calendar-months of auditable "data, documents, documentation, logs, and records". Per the Standards, each subsequent compliance-monitoring period will require the previous full calendar year of such material.

The implementation plan is broken into four tables as described below and found in section 8d. The tables specify a compliance schedule for NERC Functional Model “entities,” referred to as Responsible Entities in CIP-002 through CIP-009 standards. For organizations that are multiple Functional Model entities, each such Functional Model entity is required to demonstrate progress towards compliance according to the applicable table.

- Table 1 defines the implementation schedule for Balancing Authorities (BA), Transmission Operators (TOP), and Reliability Coordinators (RC) that were required to self-certify compliance to NERC’s Urgent Action Cyber Security Standard 1200 (UA 1200).
- Table 2 defines the implementation schedule for Transmission Service Providers (TSP), those Transmission Operators (TOP) and Balancing Authorities that were not required to self-certify compliance to UA 1200, NERC, and the Regional Reliability Organizations.
- Table 3 defines the implementation schedule for Responsible Entities required to register during 2006.
- Table 4 defines the implementation schedule for Responsible Entities registering to a Functional Model function in 2007 and thereafter.

Texas RE will follow the NERC Guidance for Enforcement of CIP Standards and the (Revised) Implementation Plan for Cyber Security Standards CIP-002-1 through CIP-009-1 located at the following link on the NERC web site:

http://www.nerc.com/files/Guidance_on_CIP_Standards.pdf

3.1.4 Spot Check

In 2009, Texas RE will be performing spot checks for thirteen (13) requirements in CIP-002-1 through CIP-009-1 that will be classified as “Auditably Compliant” for specific functions identified in Table 1 of the Implementation Plan for Cyber Security Standards CIP-002-1 through CIP-009-1.

These spot checks will begin July 1, 2009 going forward into 2010 until all applicable Registered Entities in Table 1 of the Implementation Plan for Cyber Security Standards CIP-002-1 through CIP-009-1 are assessed for compliance. These spot checks can occur during a regularly scheduled compliance audit or as a separate activity.

All regulatory authority approved Reliability Standards are subject to spot checks. Spot checks for additional Reliability Standards have been identified by NERC as detailed in the 2009 CMEP Reliability Standards spreadsheet.

- EOP-009-0 – Documentation of Blackstart Generating Unit Test Results
- FAC-013-1 – Establish and Communicate Transfer Capabilities
- IRO-014-1 – Procedures, Processes, or Plans to Support Coordination between Reliability Coordinators
- PRC-010-0 – Assessment of the Design and Effectiveness of UVLS Program
- PRC-011-0 – UVLS System Maintenance and Testing
- TOP-003-0 – Planned Outage Coordination

Spot checking is intended primarily to verify a sample of self-certifications but may also be initiated in response to system events or to validate periodic data submittals, as described in Section 3.3 of the NERC CMEP. Texas RE may randomly select functions, registered entities, or particular requirements of Standards to conduct a spot check, with the latter approach most commonly used.

Whether initiated in response to events or operating problems as described in a Reliability Standard, system events, or conducted as a follow-up to self-certifications, Texas RE will notify the Registered Entity. Unless a particular Reliability Standard specifies the advance notice period, the Registered Entity will be allowed at least 20 days for the information to be submitted or available for review. This request may include data, documentation, or possibly an on-site review, depending on the standard. If a particular information format is needed, it will be specified in the request to the Registered Entity.

Texas RE staff will review the information submitted to determine compliance with the Reliability Standards and may request additional data and/or information if necessary for a complete assessment of compliance.

Upon completion of its assessment of the Registered Entity for compliance with the Reliability Standard, Texas RE will provide a report to the Registered Entity indicating the results of the spot check. If a violation is indicated, a notice will be sent to the Registered Entity as with other violations and handled accordingly.

3.1.5 Periodic Data Submittals

Periodic submittals consist of monthly, quarterly, and annual data submittals specified in certain Reliability Standards such as BAL-001-0. Texas RE will monitor these submittals to confirm that requirements are met per Section 3.6 of the CMEP. For monthly and quarterly submittals, the Texas RE will post the current data submittal reporting schedule and required formats on its web site and inform the Registered Entities of changes or updates. Annual submittals will include direct notification to the Registered Entities of such data submittal requirements at least 30 days prior to requested date of submittal if not otherwise specified in the Reliability Standard. As necessary, the Texas RE may use escalating notices in the Rules of Procedure's Process for Non-Submittal of Requested Data (to address lack of timeliness in submittals).

For 2009, periodic data submittals are required from the Registered Entities to Texas RE for the following Reliability Standards:

- BAL-001-0a – Real Power Balancing Control Performance - monthly
- BAL-002-0 – Disturbance Control Performance (DCS) - quarterly
- BAL-003-0a – Frequency Response and Bias - annually
- BAL-006-1 – Inadvertent Interchange – not applicable in ERCOT
- FAC-003-1 – Transmission Vegetation Management Program - quarterly
- PRC-004-1 – Analysis and Mitigation of Transmission and Generation Protection System Misoperations – annual or on request

- PRC-016-0 – Special Protection System Misoperations – annual or on request
- PRC-021-1 – Under-Voltage Load Shedding Program Data - annual
- TPL-001-0 – System Performance Under Normal Conditions - annual
- TPL-002-0 – System Performance Following Loss of a Single BES Element - annual
- TPL-003-0 – System Performance Following Loss of Two or More BES Elements - annual
- TPL-004-0 – System Performance Following Extreme BES Events - annual

3.1.6 Exception Reporting

Some Reliability Standards require reporting of exceptions to compliance with the Reliability Standard as a form of compliance monitoring. Per Section 3.7 of the CMEP, Texas RE shall require Registered Entities to provide Exception Reports identifying any possible violations to the extent required by any Reliability Standards. Exceptions should be reported to Texas RE using the self-reporting form on the Texas RE Web page described in Section 3.1.8 until such time as specific other forms are provided.

Texas RE shall also require Registered Entities to confirm the number of exceptions that have occurred in a given time period identified by NERC, even if the number of exceptions is zero. Monthly confirmation will be requested for TOP-007-0, quarterly confirmation for PER-003-0 and IRO-004-1, and annual confirmation for the remaining standards. Additional instructions for submittal of confirmations will be provided to affected Registered Entities.

Specific Reliability Standards and requirements in the 2009 CMEP Reliability Standard spreadsheet have been identified for exception reporting.

- BAL-003-0a – Frequency Response and Bias
- BAL-004-0 – Time Error Correction
- BAL-006-1 – Inadvertent Interchange
- EOP-004-1 – Disturbance Reporting
- EOP-006-1 – Reliability Coordination - System Restoration
- INT-001-3 – Interchange Information
- INT-003-2 – Interchange Transaction Implementation
- INT-004-2 – Dynamic Interchange Transaction Modifications
- IRO-004-1 – Reliability Coordination - Operations Planning
- IRO-015-1 – Notifications and Information Exchange between Reliability Coordinators
- IRO-016-1 – Coordination of Real-time Activities between Reliability Coordinators
- PER-003-0 – Operating Personnel Credentials
- TOP-005-1 – Operational Reliability Information
- TOP-007-0 – Reporting SOL & IROL Violations Evaluation (72 hours)
- VAR-002-1a – Generator Operation for Maintaining Network Voltage Schedules

3.1.7 Compliance Violation Investigation

Investigations are used to confirm or deny all alleged or probable violations identified by Texas RE, NERC or other parties. A compliance violation investigation may be initiated at any time by Texas RE or NERC in response to a system disturbance or possible violation with a Reliability Standard as identified by any means. Compliance violation investigations will generally be led by Texas RE staff. However, for good cause, NERC reserves the right to assume the leadership of a compliance violation investigation.

In general, notices and steps described in Section 3.4 of the CMEP will be used for investigations. Texas RE staff will investigate and determine if violations may have occurred. Texas RE staff may, at its discretion, use site visits, data submittals, or other means to further evaluate compliance with Reliability Standards pertinent to the event.

3.1.8 Self Report

Self-reporting is defined as the identification and reporting by the Registered Entity of a violation to any Reliability Standard applicable to the functions performed by the entity as the result of a self-assessment or other internal review process. It differs from Self-Certification in that no request is made by Texas RE for the internal review. Self-reporting is encouraged when a Registered Entity identifies internal violations; it will be considered a mitigating factor when Texas RE determines the appropriate sanction or penalty. A form is provided on the Texas RE Web site for self-reported violations for this purpose. Upon receiving such completed forms, Texas RE staff will review the information and evaluate the reported non-compliance, per CMEP Section 3.5.

3.1.9 Complaint

NERC or Texas RE may receive a complaint from individuals or entities alleging a violation with a Reliability Standard by one or more Registered Entities. Texas RE will conduct a review of each complaint it receives to determine if the complaint provides sufficient basis for a compliance violation investigation, and provide notification to NERC in the agreed upon format. Exceptions are that NERC will review any complaint (1) that is related to Texas RE in its performance related to the functions in the delegation agreement; (2) where Texas RE determines it cannot conduct the review; (3) if the complainant wishes to remain anonymous; or (4) the complainant specifically requests NERC to conduct the review of the complaint. Notices and steps described in Section 3.8 of the CMEP will be used; the process is very similar to investigations described above and allows for similar requests for additional information.

3.2 Reliability Standards Subject to 2009 CMEP Implementation

2009 Monitored Standards

2009 is the first year in the CMEP in which all regulatory authority approved Reliability Standards and requirements are identified in the program.

All regulatory authority approved Reliability Standards and requirements are subject to a compliance audit, spot check, self report, self certification, compliance violation investigation and complaint. NERC and the Regional Entities developed risk based

criteria for determining the scope of 2009 compliance audits and self certifications. The risk based criteria will help compliance auditors focus on the Reliability Standards that if violated pose the highest risk to the reliability of the bulk power system. This approach is new and is in the early stages of development. Because of this, NERC will use the definition of actively monitored requirements in the Rules of Procedure for identifying the minimum scope of compliance audits and self certifications in 2009.

NERC has designated a subset of FERC-approved Reliability Standards for active review and reporting across North America in its 2009 Implementation Plan. For these Standards, active monitoring means that Registered Entities within the ERCOT region are required to report on their adherence to the Standards or provide data and information to Texas RE so that it can establish compliance, in accordance with the assessment approaches in this plan and the NERC Rules of Procedure.

The details are shown in the link below on the NERC Web site. Section 8a, “Actively Monitored” Standards identified for the 2009 Compliance Program has much of the same information.

http://www.nerc.com/files/2009_CMEP_Reliability_Standards.xls.

Part of this list of standards includes NERC’s eight (8) cyber and physical security standards, Registered Entities will identify their progress towards becoming “auditably compliant” per the tables found in Section 3.1.3 of this document. The ERCOT ISO is the only registered entity in ERCOT that must conform to the schedule in Table 1, as the ISO participated in the original Urgent Action (UA1200) program. All other Registered Entities will fall under the schedule found in Table 3 or Table 4, depending on when the entity first registered with NERC. A NERC CIP self-assessment form was developed during early 2008 and issued to Registered Entities who perform an applicable function.

Texas RE has not created any Regional Standards at this time to include in the 2009 program. Creation of Regional Standards will continue in 2009, in accordance with the NERC Rules of Procedure and Texas RE’s Regional Delegation Agreement. Supplemental monitoring of certain requirements contained in the ERCOT Protocols will occur but under the terms of the ERCOT Compliance Process filed with the Public Utility Commission of Texas (PUCT) and approved on July 20, 2006. These Protocol compliance-related activities will be conducted so long as the activities do not conflict with the Delegated Authority. Such work is funded separately from the delegated NERC obligations and does not include the provisions for sanctions that apply to NERC standards.

4. 2009 Program Implementation - Enforcement

Section 5, 6 and 7 of the CMEP will be followed by the Texas RE in its evaluation and processing of violations in the ERCOT Region, determination of appropriate penalties and handling of associated mitigation plans.

4.1 Enforcement Steps

Possible violations resulting from any of the monitoring activities above shall be reviewed further by Texas RE staff to validate the evidence. If the evidence obtained suggests that a violation has occurred, then the violation reporting process is initiated. An initial violation notice will then be sent to the Registered Entity. This initial notice will describe the standard and requirements violated, the time of the finding, and the basis for the finding, but will not include any determination of penalties. Concurrently, an entry will be made in NERC's violation tracking tool to provide confidential notice to NERC. Both notifications will be made within 5 business days of the validation, to fulfill this reporting obligation of the CMEP.

Remedial Action Directives are used to address imminent threats to reliability of the bulk power system. Texas RE will notify NERC within 2 business days after issuing a Remedial Action Directive. Texas RE will consult with NERC prior to issuing a Remedial Action Directive.

Penalty determination (in accordance with NERC's Sanction Guidelines contained in Appendix 4B of the Rules of Procedure) will follow these initial notifications, including evaluation of factors that may diminish or increase a penalty. Upon completion of penalty determination, a formal Notice of Alleged Violation will be issued to the Registered Entity, using the format developed by NERC containing the six elements of CMEP Section 5.1. This Notice will be signed by an officer or designee of the Texas RE and copied to NERC.

The Registered Entity will have 30 days to review the finding and penalty, and either accept or contest them. If the finding and penalty are not contested, Texas RE will issue a final report of Confirmed Violation to the Registered Entity, copied to NERC and accompanied by any written explanatory statements provided by the Registered Entity. At a later date, following approval of the sanction by FERC, Texas RE will invoice and collect the penalty. Alternatively, if a Registered Entity contests any violation, Texas RE will schedule a conference within ten (10) business days and attempt to resolve the concerns within forty (40) days in accordance with Section 5.2 of the CMEP. If resolution is not achieved, the Registered Entity may then request a hearing.

4.2 Mitigation Plans

Mitigation plans are a critical part of improving bulk power system reliability and Registered Entities must develop and follow Mitigation Plans to not only mitigate the compliance violations, but to also prevent reoccurrence of the compliance violations.

A Registered Entity found to allegedly be in violation of a Reliability Standard shall be directed to file a proposed Mitigation Plan to correct the violation with Texas RE, along with any request for extension to an existing mitigation plan, and a report of a completed mitigation. Texas RE will follow the steps and timing for mitigation plan review and acceptance as listed in CMEP Section 6.2 and table 2 of Appendix A, along with tracking of progress and notifications to the Registered Entity and NERC. Texas RE has created a standard form for filing of Mitigation Plans that is available on its Web site.

Texas RE will validate the completion of Mitigation Plans by assessing evidence of compliance provided by the Registered Entity either on-site or submitted to the Regional Entity office. The Mitigation Plan validations will be conducted in the same manner as the compliance assessment process used for the eight compliance discovery methods. This compliance assessment process will be executed by NERC trained Texas RE staff using NERC compliance assessment guides such as Reliability Standard Audit Worksheets (RSAWs). The Mitigation Plan validation process and documentation will be retained for review by NERC.

Texas RE will comply with CMEP Section 6.7 which states: “Regional Entities will provide to NERC the quarterly status reports and such other information as NERC requests, and will notify NERC when each Mitigation Plan is verified to have been completed.”

4.3 Regional Hearings Overview

The Rules of Procedure mandates that a Hearing Process be available to a Registered Entity for contesting an alleged violation, penalty, sanction, mitigation plan requirement, or remedial action directive. If a Registered Entity requests a hearing, then Texas RE will initiate the process. The hearing body will be the PUCT, and the hearing will be conducted as detailed in the Texas RE’s Regional Delegation Agreement (Attachment 1 to Exhibit D of that document). The hearing body shall issue a recommendation to the Chief Compliance Officer of Texas RE, who in turn will issue a decision accepting or rejecting this recommendation. Details and timelines of this procedure are contained in the Texas RE Delegation Agreement. Records and notification will be provided to document the hearing results in accordance with the Rules of Procedure, and allow for the Registered Entity to appeal to NERC if it so chooses.

4.4 Settlements

Prior to initiation of a formal hearing with the PUCT as described above, Texas RE staff may agree on a settlement with a Registered Entity for a specific occurrence of non-compliance. All settlement agreements must conform to requirements of NERC Rules of Procedure 403.18. In the event of a settlement, Texas RE will issue a letter detailing the terms for NERC’s review and approval. A second attempt will be made to negotiate a settlement by Texas RE should NERC reject a settlement agreement; if that proves unsuccessful, the hearing process will proceed to its conclusion.

5. 2009 Program Implementation – Registration and Certification

5.1 Registration and Organizational Certification

The entities responsible for compliance with Reliability Standards are referred to as “Registered Entities.” Registered Entities are owners, operators, and/or users of the bulk-power system that have at least one functional responsibility defined in any of the approved NERC or Regional Entity Reliability Standards. Within the ERCOT Region, the ERCOT ISO currently holds registration as the Reliability Coordinator, Balancing Authority, Transmission Operator, Planning Authority, Resource Planner, Interchange Authority and Transmission Service Provider. Other entities in ERCOT hold the remaining NERC functional registrations, either individually or as part of joint registrations.

Texas RE has two registration appeals still unresolved at this time for the function of Generator Operator. Texas RE is waiting on FERC’s review of an appeal of a Generator Operator registration. There is also some uncertainty surrounding the final outcome of registration requirements for Load Serving Entities associated with NERC Registry Criteria (version 5.2.).

Further activity in joint registration is expected during 2009 as well as ongoing maintenance of registration contacts and data.

Texas RE will monitor, assess, and enforce compliance with the Standards and specific requirements for each Registered Entity that has compliance responsibilities as defined in its registration. Texas RE continues to make its best efforts to register all entities subject to the Reliability Standards and will provide its list, with revisions, to the ERO and other applicable authorities as appropriate. Texas RE will perform these updates as specified in the NERC Implementation Plan, and will work with NERC during 2009 to incorporate any further process changes.

Each Registered Entity has a primary compliance contact for issues regarding compliance. This person may or may not be the same as the point of contact as the Entity’s contact maintained for its ERCOT registration as defined by the ERCOT Protocols. It is the responsibility of each Registered Entity to keep its compliance contact information up-to-date. Texas RE will not be using the same contact lists for compliance communications as maintained by the ERCOT ISO’s Wholesale Account Managers.

Organizational Certification requirements and processes will be provided by NERC and Texas RE will carry out those responsibilities. In 2009, it is possible that development of joint registration, particularly for the Transmission Operator function, will lead to additional Registered Entities requiring certification. The Texas RE will initiate, schedule and lead any such additional Certification audits in accordance with the NERC processes as required.

5.2 Data Collection and Retention

Texas RE will ensure that records related to the compliance program are maintained in a secure location, according to the records management and retention requirements identified in Section 9 of the CMEP. Record retention policy and practice will provide for a minimum five (5) year retention period unless longer intervals are required by certain Reliability Standards. During 2009, Texas RE plans to transition to wider usage of a web-portal and database system noted earlier, the CDMS.

6. Outreach Efforts

Texas RE aims to build cooperative relationships with all registered entities, industry segments, ERCOT Region market participant committees and working groups, and regulators through regular, consistent messaging regarding all of Texas RE's program areas.

Continuing strong communications and cooperative relationships will be especially crucial in the year 2009, because the ERCOT Region plans to implement its nodal market system.

At the same time, Texas RE will continue to improve the established communications and relationships with NERC and the other Regional Entities during this second full year for the ERO and Regional Entities to operate under the approved delegation agreements.

Texas RE seeks to deliver a consistent message through a variety of electronic media (including the newsletter) as a timely and efficient means of providing important information to the industry and the public.

6.1 Texas RE Web site and Web pages

The current Texas RE Web page provides access to documents, forms and background material associated with compliance monitoring and enforcement, as well as other statutory functions. This Web page is expected to be replaced with an extensively modified Texas RE Web site early in 2009, with the goal of making access to information more straightforward for Registered Entity personnel. This will enhance the Texas RE online presence to build identity, awareness, and provide useful information about Texas RE and its mission. The Web site will:

- Increase awareness of Texas RE's mission and NERC and ERCOT Region-specific requirements for compliance
- Provide comprehensive information and resources on standards, compliance, and registration requirements, including enforcement of compliance, changes to standards and requirements, and answers to frequently asked questions
- Act as a gateway to the externally hosted applications and related external Web sites
- Attract qualified and diverse staff
- Promote new information and educational opportunities
- Serve as the foundation for additional information systems

6.2 Compliance Workshops, Seminars and Public Meetings

The Texas RE will conduct at least two general workshops on the Compliance program during 2009, tentatively with day-long events in spring and fall. Another day-long workshop associated with the NERC cyber security standards will also be conducted

during 2009. Use of WebEx remote meeting facilitation capability to reach a wider audience is being evaluated, as are other means of outreach.

Texas RE staff also will participate in a variety of other outreach activities. The annual ERCOT Operations Training seminar will include presentations by Texas RE staff at all six sessions during the spring of 2009. Staff attends and participates in a variety of ERCOT Regional stakeholder meetings, providing monthly reports to the Technical Advisory Committee and the Reliability and Operating Subcommittee (ROS). Other meetings that Texas RE staff attend on an as-needed basis include the ROS' various workgroups, the Wholesale Operating Subcommittee and its workgroups, the Protocol Revision Subcommittee, and the Transition Plan Task Force associated with the ongoing development of a locational marginal pricing market for the ERCOT Region. It is expected that other forums such as the National Rural Electrical Cooperatives Association and the Gulf Coast Power Association may include presentations from Texas RE as in 2008.

6.3 Newsletters

In 2008 Texas RE published the "Texas REview" newsletter quarterly. In 2009 Texas RE plans to change the newsletter's publication cycle to every other month.

The newsletter is intended for users, owners, and operators of the bulk power system in the ERCOT region. Compliance with NERC Reliability Standards and Regional Reliability Standards is an important activity within the ERCOT region as well as all regions across North America.

Part of Texas RE's responsibility is to educate those who are subject to NERC Reliability Standards and Regional Reliability Standards. Each issue of the "Texas REview" offers the reader a summary of Texas RE news, activities and training opportunities, updates on NERC and regional reliability standards, and related news of interest.

6.4 Improving Transparency and Consistency

NERC, Texas RE and the other Regional Entities receive CMEP implementation feedback from the Compliance and Certification Committee and other stakeholders. All feedback and input from these groups, among others, is reviewed on a continuous basis for opportunities for improvement. NERC, Texas RE and the other Regional Entities are committed to continuous improvement of the CMEP implementation in these formative years of the program. Texas RE is committed to providing consistent treatment across the ERCOT region in its implementation of the CMEP and to continue to follow NERC's lead in order to provide consistency and uniformity across NERC's jurisdiction.

- **Improve Transparency of the CMEP Implementation**

NERC, Texas RE and the other Regional Entities are attempting to balance the request from the industry to improve transparency with the confidential nature of the CMEP processes. Despite the confidential caveat, NERC, Texas RE and the other Regional Entities are continuously identifying and implementing innovative ways to share CMEP process information while honoring confidentiality.

- **Yearly Compliance Audit Schedules**
NERC posts the yearly compliance audit schedules on its Web site at the following link:
<http://www.nerc.com/commondocs.php?cd=3>.
- **Status of Compliance Audit Reports**
The CMEP states that compliance audit reports will be posted on the NERC Web site. If the compliance audit report contains findings of compliance with all Reliability Standards and requirements reviewed during the compliance audit, then NERC will post the compliance audit report on its public Web site. If a compliance audit report contains findings of possible violations, NERC will not post the compliance audit report until all possible violation findings go through due process. Once due process has occurred, the Texas RE will submit a public version of the compliance audit report and a procedural summary listing the outcome of the possible violation findings. This package containing the procedural summary and the compliance audit report will be posted on the NERC public Web site.
- NERC added a column to the yearly compliance audit schedules called audit reports. The compliance audit report status is indicated in the audit report column as follows:
Compliance Audit Report Status Definitions:
Received: NERC has received a copy of the final compliance audit report.
Received - Posted: NERC has received a copy of the final compliance audit report and has posted it on the NERC public Web site at the following link. This also includes the posting of written comments provided by an audited entity in response to Texas RE findings.

<http://www.nerc.com/page.php?cid=3|26|246>

7. Self Improvement Activities

7.1 Internal Training

- Auditor Training
 - NERC web-based training for new employees
 - NERC CIP audit training – several staff will attend in 2009
 - Two-day supplemental internal auditor training program in 2009
- Lead Auditor Training from NERC
 - Required for all Texas RE auditors
- ERCOT Fundamentals Training / Operator Training
 - Certification recommended for all Texas RE employees
 - Completion of computer-based training for all auditors during first half of 2009
- Annual Ethics and Anti-Trust Training
 - Required for all employees
- Attendance at workshops given by NERC, Texas RE and other regions on a selective basis. Examples:
 - CIP workshops
 - Wind workshops
 - ERCOT Operations Training Seminar
- Continued support and attendance for working groups and committees

7.2 Self Assessments and Benchmarking

During 2009, Texas RE is planning on initiating a number of improvement activities.

- Self-Assessments
 - Internal audit program
 - Lessons learned activities internally
 - Post mortems on audits
 - Incorporating any feedback / recommendations from FERC and NERC
- Benchmarking
 - Comparison to other regions in terms of:
 - Compliance activities performed
 - Training and workshop activities
 - Newsletters
 - Budget / spending to meet requirements

7.3 Experience

Texas RE personnel have a wide range of operational and/or engineering experience in the electric power industry or in conducting audits and quality programs in other industries. The intent is to bring the best reliability practice to bear on the Reliability of the BES of the ERCOT region.

7.4 Texas RE's Self Improvement Goals for 2009

- 2009 Organization Registration and Certification Goals and Objectives:
 1. Maintain an accurate registration list of all owners, operators, and users of the bulk power system by establishing a schedule to verify entity registration and contact information.
 2. Provide updated Registered Entity information to NERC and appropriate government authorities.
 3. Participate in development of registration procedures, policies and databases with NERC and FERC, and implement and communicate changes as necessary.
 4. Appropriately address all registration appeals to completion.
 5. Implement organization certification in accordance with NERC processes, some of which are still under development – conduct required audits.
 6. Maintain processes and procedures for carrying out the delegated certification activities that are required by the certification standards.
 7. Complete a review of policies and procedures with the goal of improving clarity of communications with registered entities and to determine how it may be possible to mitigate the cost of compliance without impacting reliability.
 8. Implement recommendations from the upcoming NERC audit of Texas RE.

- 2009 Compliance Monitoring and Enforcement Program Goals and Objectives:
 1. Complete Compliance Audits per the 2009 schedule including additional audits required by joint registrations.
 2. Conduct compliance analysis of all significant events and other system disturbances.
 3. Conduct Compliance Violation Investigations in accordance with CMEP.
 4. Analyze and investigate all Complaints.
 5. Complete Self-Certifications, Exception Report Verifications and Periodic Data Submittal activities for all registered entities.
 6. Perform Spot Checks as required.
 7. Process Self-Reports and Exception Reports as received.
 8. Conduct enforcement related activities, including penalty calculations, acceptance and validation of mitigation plans, settlement negotiations, and handling of appeals as needed, in accordance with the CMEP.
 9. Continue to work with other Regional Entities to improve auditing consistency and reduce the burdens associated with audits and other assessments of Registered Entities with operations in multiple regions.

10. Complete a review of policies and procedures with the goal of improving the clarity of communications with Registered Entities, to determine how to mitigate the cost of compliance without impacting reliability, and meeting compliance with NERC ROP modifications and NERC guidance.
 11. Implement recommendations from the upcoming NERC audit of Texas RE.
- 2009 Training, Education and Operator Certification Program Goals and Objectives
 1. Coordinate and facilitate the annual Operations Training Seminar in 2009.
 2. Create internal training programs for Texas RE staff.
 3. Coordinate and facilitate 2 general compliance workshops, and 1 cyber security workshop, to be attended by registered entities and other stakeholders.
 4. Assist with developing and providing training to registered entities as needed (i.e. cyber-security).

8. General Other / Attachments

- a. “Actively Monitored” Standards identified for the 2009 Compliance Program.

Summary of the 2009 CMEP reliability standards

Number of Reliability Standards			
Year	2007	2008	2009
Compliance Audit	39	60	49
Self Certification	39	60	52
Periodic Data Submittals	--	--	12
Exception Reporting	--	--	14
Spot Check	0	0	13
Subject to Compliance Violation Investigation	--	--	94
Subject to Self Reporting	--	--	94
Subject to Complaint	--	--	94

Summary of the 2009 CMEP reliability requirements

Number of Requirements			
Year	2007	2008	2009
Compliance Audit	385	610	418
Self Certification	385	610	548
Periodic Data Submittals	--	--	79
Exception Reporting	--	--	102
Spot Check	0	0	106
Subject to Compliance Violation Investigation	--	--	977
Subject to Self Reporting	--	--	977
Subject to Complaint	--	--	977

2009 CMEP Reliability Standards					
Reliability Standard (FERC Approved)	Compliance Audit	Self Certification	Planned Spot Check	Periodic Data Submittals	Exception Reporting
BAL-001-0a				Monthly	
BAL-002-0	X	X		Quarterly	
BAL-003-0a				Annual	X
BAL-004-0					X
BAL-005-0b	X	X			
BAL-006-1				Monthly	X
COM-001-1	X	X			
COM-002-2	X	X			
CIP-001-1	X	X			
CIP-002-1	Beginning July 1, 2009	Semi-Annual	Beginning July 1, 2009		
CIP-003-1	Beginning July 1, 2009	Semi-Annual	Beginning July 1, 2009		
CIP-004-1	Beginning July 1, 2009	Semi-Annual	Beginning July 1, 2009		
CIP-005-1		Semi-Annual			
CIP-006-1		Semi-Annual			
CIP-007-1	Beginning July 1, 2009	Semi-Annual	Beginning July 1, 2009		
CIP-008-1	Beginning July 1, 2009	Semi-Annual	Beginning July 1, 2009		
CIP-009-1	Beginning July 1, 2009	Semi-Annual	Beginning July 1, 2009		
EOP-001-0	X	X			
EOP-002-2	X	X			
EOP-003-1	X	X			
EOP-004-1					X
EOP-005-1	X	X			
EOP-006-1	X	X			X
EOP-008-0	X	X			
EOP-009-0			X		
FAC-001-0	X	X			
FAC-002-0					
FAC-003-1	X	X		Quarterly	
FAC-008-1	X	X			
FAC-009-1	X	X			
FAC-010-1	X	X			
FAC-010-2 Note 1					
FAC-011-1	X	X			
FAC-011-2 Note 1					
FAC-013-1			X		
FAC-014-1	X	X			
FAC-014-2 Note 1					

Section 8: General Other / Attachments

INT-001-3					X
INT-003-2					X
INT-004-2					X
INT-005-2					
INT-006-2					
INT-007-1					
INT-008-2					
INT-009-1					
INT-010-1					
IRO-001-1	X	X			
IRO-002-1	X	X			
IRO-003-2	X	X			
IRO-004-1	X	X			X
IRO-005-1	X	X			
IRO-006-3	X	X			
IRO-006-4 Note 1					
IRO-014-1			X		
IRO-015-1					X
IRO-016-1					X
MOD-006-0					
MOD-007-0					
MOD-010-0					
MOD-012-0					
MOD-016-1					
MOD-017-0					
MOD-018-0					
MOD-019-0					
MOD-020-0					
MOD-021-0					
PER-001-0	X	X			
PER-002-0	X	X			
PER-003-0	X	X			X
PER-004-1	X	X			
PRC-001-1	X	X			
PRC-004-1	X	X		Annual/ Request	
PRC-005-1	X	X			
PRC-007-0					
PRC-008-0	X	X			
PRC-009-0					
PRC-010-0			X		
PRC-011-0			X		
PRC-015-0					
PRC-016-0				Annual/ Request	
PRC-017-0	X	X			
PRC-018-1					

PRC-021-1				Annual/ Request	
PRC-022-1					
TOP-001-1	X	X			
TOP-002-2	X	X			
TOP-003-0			X		
TOP-004-1	X	X			
TOP-005-1					X
TOP-006-1	X	X			
TOP-007-0	X	X			X
TOP-008-1	X	X			
TPL-001-0	X	X		Annual	
TPL-002-0	X	X		Annual	
TPL-003-0	X	X		Annual	
TPL-004-0		X		Annual	
VAR-001-1	X	X			
VAR-002-1a					X
	49	52	12	12	15

Note 1: Pending Approval by FERC in Late 2008

For the complete listing of monitoring by requirements and functional registration, please see the complete document at the following link on the NERC Web site:

http://www.nerc.com/files/2009_CMEP_Reliability_Standards.xls.

Note that any of the FERC-approved standards may be reviewed during investigations, complaints or spot checks, and violations discovered will be fully enforceable.

Regarding additional standards, Texas RE has no planned additional NERC reliability standards proposed for monitoring and enforcement as part of this plan. There currently are no Regional Standards that apply within the ERCOT region. Note that Texas RE does conduct assessments of requirements in the ERCOT Protocols and Operating Guides related to grid reliability, under the [ERCOT Compliance Process](#) approved by the PUCT on July 20, 2006, pursuant to PUCT Substantive Rule 25.503(j); PUCT Docket No. 32350.

Events within the ERCOT Region, complaints or review of violations may result in Spot Checks or Compliance Violation Investigations per the CMEP. Entities may choose to self-report violations as well. Assessment and enforcement in these cases may involve any FERC-approved Reliability Standard requirement, not just those selected for active monitoring in 2009.

b. Texas Regional Entity's Annual Audit Plan

NOTE: This schedule was proposed in November 2009. At the time of approval, modifications have occurred; the most current schedule is available on line at:

<http://www.ercot.com/content/mktrules/compliance/tre/enforcement/doc/Texas%20RE%202009%20Compliance%20Audit%20Schedule.pdf>

NERC also maintains a complete schedule of audits for all Regions. This may lag the above Texas Regional Entity schedule slightly as it is updated once a month:

http://www.nerc.com/files/Published_Master_Audit_Schedule_2009_122808.xls

2009 TRE Audit Schedule					
NERC ID#	Registered Entity Name	Audit Type	Start Date	End Date	Registered Functions
NCR04092	LOWER COLORADO RIVER AUTHORITY (QSE)	On-site Audit	1/14/2009	1/15/2009	GOP
NCR04013	BLUEBONNET ELECTRIC CO OP INC	Off-site Audit	1/21/2009	1/22/2009	DP TO TP
NCR04018	BROWNSVILLE PUBLIC UTILITY BOARD	On-site Audit	1/28/2009	1/29/2009	DP TO TP
NCR02910	FPL ENERGY, LLC (2)	On-site Audit	2/10/2009	2/12/2009	GOP
NCR04073	FULCRUM POWER SERVICES LP	On-site Audit	2/18/2009	2/19/2009	GOP
NCR02910	FPL ENERGY, LLC as agent (1)	Off-site Audit	3/9/2009	3/13/2009	GO
NCR04027	CALPINE POWER MANAGEMENT LP	On-site Audit	3/18/2009	3/19/2009	GOP
NCR04163	WESTERN FARMERS ELECTRIC COOPERATIVE	Off-site Audit	3/25/2009	3/26/2009	TO TP
NCR04043	CONSTELLATION ENERGY COMMODITIES GROUP INC (QSE)	On-site Audit	3/31/2009	4/2/2009	GOP
NCR10027	SCURRY COUNTY WIND LP	Off-site Audit	4/15/2009	4/16/2009	GO GOP
NCR10004	CITY OF GEORGETOWN	Off-site Audit	4/22/2009	4/23/2009	DP TO
NCR04145	TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.	On-site Audit	4/27/2009	4/30/2009	DP PSE
NCR04085	IPA TRADING, LLC	On-site Audit	5/5/2009	5/7/2009	GOP
NCR04007	ANP FUNDING I LLC	On-site Audit	5/5/2009	5/7/2009	GOP
NCR04141	TEXAS MUNICIPAL POWER AGENCY	Off-site Audit	5/13/2009	5/14/2009	TO TP
NCR04038	CITY OF SAN ANTONIO CITY PUBLIC SERVICE (QSE)	On-site Audit	5/20/2009	5/21/2009	GOP
NCR04039	CITY OF SAN ANTONIO CITY PUBLIC SERVICE (RES)	On-site Audit	5/20/2009	5/21/2009	GO
NCR04118	SAN BERNARD ELECTRIC CO OP	Off-site Audit	5/27/2009	5/28/2009	DP TO TP
NCR04125	SOUTH TEXAS ELECTRIC CO OP INC (QSE)	On-site Audit	6/3/2009	6/4/2009	GOP
NCR04126	SOUTH TEXAS ELECTRIC CO OP INC (RES)	On-site Audit	6/3/2009	6/4/2009	GO
NCR04056	ERCOT ISO	On-site Audit	6/22/2009	6/26/2009	BA PA RC RP TOP TSP
NCR04028	CENTERPOINT ENERGY HOUSTON ELECTRIC LLC	On-site Audit	7/8/2009	7/9/2009	DP TO TP
NCR04127	STP NUCLEAR OPERATING COMPANY	On-site Audit	7/22/2009	7/23/2009	GO GOP
NCR04147	TOPAZ POWER MANAGEMENT LP (QSE)	On-site Audit	8/5/2009	8/6/2009	GOP
NCR04082	INGLESIDE COGENERATION LIMITED PARTNERSHIP	Off-site Audit	8/12/2009	8/13/2009	GOP
NCR04083	INGLESIDE COGENERATION LIMITED PARTNERSHIP	Off-site Audit	8/12/2009	8/13/2009	GO
NCR04119	SHARYLAND UTILITIES LP	Off-site Audit	8/19/2009	8/20/2009	DP TO TP
NCR04160	WEATHERFORD MUNICIPAL UTILITY SYSTEM (TDSP)	Off-site Audit	8/26/2009	8/27/2009	DP
NCR10090	NRG TEXAS POWER LLC	On-site Audit	9/2/2009	9/3/2009	GOP
NCR10090	NRG TEXAS POWER LLC	On-site Audit	9/14/2009	9/18/2009	GO
NCR04006	AMERICAN ELECTRIC POWER SERVICE CORP as agent (3)	On-site Audit	9/23/2009	9/24/2009	DP TO TP
NCR04010	BARNEY M DAVIS UNIT 1	Off-site Audit	10/6/2009	10/8/2009	GO GOP
NCR04009	BARNEY M DAVIS LP (RES)	Off-site Audit	10/6/2009	10/8/2009	GO GOP
NCR10173	CHAMPION WIND FARM, LLC	Off-site Audit	10/19/2009	10/22/2009	GO GOP
NCR04003	FOREST CREEK WIND FARM, LLC	Off-site Audit	10/19/2009	10/22/2009	GO GOP
NCR10249	EC&R PANTHER CREEK WIND FARM, LLC	Off-site Audit	10/19/2009	10/22/2009	GO GOP
NCR04004	SAND BLUFF WIND FARM LLC	Off-site Audit	10/19/2009	10/22/2009	GO GOP
NCR10174	ROSCOE WIND FARM, LLC	Off-site Audit	10/19/2009	10/22/2009	GO GOP
NCR04094	MAGIC VALLEY ELECTRIC CO OP INC	Off-site Audit	11/4/2009	11/5/2009	DP TO TP

c. CIP Tables

The CIP tables can be found in the (Revised) Implementation Plan for Cyber Security Standards, CIP-002-1 through CIP-009-1 on the NERC Web site at the following link:

http://www.nerc.com/files/Guidance_on_CIP_Standards.pdf

d. Texas RE's Overall Compliance Activity Summary

ASSESSMENTS	
Audits	
On-site scheduled audits	19
Off-Site scheduled	20
Unscheduled audits	As needed
Spot Checks	
Spot Checks scheduled during 2009	6 standards
CIP standard Spot Checks scheduled	7 standards
Spot checks unscheduled	As needed
Self-Certifications	
Annual Self-Certifications	45 standards
Semi-Annual CIP Self-Certifications	7 standards
Exception Reports	
Received exceptions (possible violations)	As needed
Monthly confirmation of exceptions	1 standard
Quarterly confirmation of exceptions	2 standards
Annual confirmation of exceptions	11 standards
Self-Report Processing	As needed
Complaints Processing	As needed
Compliance Violation Investigations	As needed
Periodic Data Collection and Monitoring	
Monthly	1 standard
Quarterly	2 standards
Annual Data Collection	8 standards
ENFORCEMENT	
Preliminary Violation Processing	As needed
Settlements	As needed
Mitigation Plan Verifications	As needed
Appeals	As needed
Reliability Directives	As needed
REGISTRATION AND CERTIFICATION	
Joint Registration Processing	As needed
LSE Registration	As needed
Registration Database Maintenance	As needed
Registration Appeals	As needed
Certification Audits	As needed
OTHER	
Workshops for registered entities	3
Planned staff training workshops	1
Portal roll-out training sessions	As needed
Newsletters	Bi-Monthly
Board and Committee Reporting	Monthly
Event Screening and Preliminary Analysis	As needed
NERC - MultiRegional meetings	Bi-Monthly
NERC - MultiRegional conference calls	Weekly
Additional NERC and FERC meetings	As needed