

# Compliance Update

## **TO THE ERCOT BOARD OF DIRECTORS**

September 20, 2005

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ERCOT Compliance



# ERCOT Compliance Activities

- ERCOT Operations Review
- NERC Readiness Audit
- Other Compliance Activities

# ERCOT Operations Review

- Assessment of Operations' adherence to ERCOT Procedures
- August 1<sup>st</sup> – 19<sup>th</sup>: Conducted Operator interviews and observations
- 251 items assessed – 10 Non-Compliance Findings
  - o Frequency Control Desk – 89 items assessed / 4 findings
  - o Transmission & Security Desk – 84 items assessed / 3 findings
  - o Operating Period Desk – 26 items assessed / 2 findings
  - o Day-Ahead Desk – 52 items assessed / 1 finding
- Draft Report reviewed by ERCOT Operations Management
- Final Report to be issued before October 1<sup>st</sup>
- Additional Recommendations

# NERC Readiness Audit

- Audit of ERCOT Reliability Coordinator (RC) / Transmission Operator (TOP) / Balancing Authority (BA)
- On-site visit scheduled for October 18<sup>th</sup> – 20<sup>th</sup>
- Audit Team consists of about 10 members
- Assesses Operator preparedness to meet their assigned responsibilities
  - o Report issued within 60 days of on-site visit
  - o Identifies opportunities for improvement
  - o NERC VP of Compliance will monitor implementation of recommendations
- Readiness Audits conducted on 3-year cycle

# Other Compliance Activities

- Participating in 2005 NERC Compliance Program
  - 44 NERC Reliability Standards included in program
  - Non-compliance reported to the NERC Board
  - Confirmed violations posted on the NERC Web Site
- Monitoring reliability-based Protocol and Operating Guides requirements
- Conducting on-site audits of ERCOT QSEs and TOs on a 3-year cycle
  - Minimum of 9 QSE and 5 TO audits planned for 2005
  - NERC Auditor to participate in some audits

# Other Compliance Activities

## (cont'd)

- Compliance Enforcement Process under development – to be filed with PUCT in accordance with PUCT S.R. 25.503 (j)
  - Day-Ahead and Real-Time Operations
  - Data Gathering and Reporting
  - Audits and Self-Certifications
  - Event Investigations

# ERCOT Compliance Webpage

<http://www.ercot.com/nerccompliance/compliance.htm>

