At a glance
The goal of North American Electric Reliability Corporation (NERC) Reliability Standards is to protect and maintain the reliability of the North American Bulk Electrical System (BES). The Standards require any registered entity to develop, monitor and implement procedures that demonstrate an active program of compliance and support a culture of protecting the electrical transmission infrastructure.

In 2007, the Federal Energy Regulatory Commission (FERC) issued Order 693. This order became mandatory, enforceable, and subject to monetary penalties upward to $1,000,000 for each violation per day.

Since 2009, over $143 million in monetary penalties have been assessed and the number of noncompliance findings has increased as NERC regional entities enforcement planning and procedures become more structured. Today, the number of published NERC noncompliance findings stand at more than 4,000 with monetary penalties ranging from $0 to $950,000 for a single violation.

The challenge
The challenge for the typical registered entity is to develop a culture of compliance within the organization and the need to be ever vigilant in assuring that policies and procedures associated with NERC Reliability Standards compliance are followed.

To assure compliance most registered entities have created an independent officer of compliance, whose primary responsibility is to monitor compliance, manage and administrate tasks such as:

- Providing reports to NERC regional entities based on the Reliability Standards requirements
- Self report noncompliance
- Prepare for NERC audits
- Monitor and manage corrective actions resulting in noncompliance

By design, this structure assures independence and objectivity. However, to address all of the areas covered by the NERC Reliability Standards while achieving such independence and objectivity would require a duplication of resources and expertise already in existence within the registered entity. Therefore the challenge becomes how to cost effectively monitor and manage compliance and avoid the cost and reputational impact of paying penalties.

NERC Compliance Solutions
Develop, monitor and manage your compliance program with Siemens PTI

Top 15 NERC Standards violations reported

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Our solution
Partner with Siemens Power Technologies International (Siemens PTI), a global provider of independent technical consulting services for the power generation and transmission sector. Our comprehensive consulting expertise, combined with specialized knowledge in areas such as cyber security and auditing preparation practices, provide a method to develop, monitor and manage your compliance program, both effectively and efficiently.

Siemens PTI can be an effective partner in designing and monitoring a NERC Compliance program that can be customized to support your company’s specific needs in the following areas:

- Review of documentation, reporting procedures and protocols
- Perform gap analysis between NERC requirements and the compliance program
- Perform inspections and surveys for compliance
- Prepare and execute mock audits using NERC Reliability Standard Audit Worksheets (RSAWs) to identify inconsistencies or lack of documentation and communication protocols
- Provide technical expertise during a NERC audit to support your compliance program documentation, procedures and protocols in the context of actual operational practices
- Support follow-up and actions resulting from a NERC audit

When engaged by a registered entity, Siemens PTI supports its services by assigning to the customer a NERC Compliance Program Manager. The program manager is the single point of contact to engage the resources available from Siemens PTI, including the use of any third-party specialists needed to support the services to be provided. The program manager understands the objective of the engagement and assures that services provided meet the objectives and are provided in a timely manner in support of impending audits or other compliance program requirements.

In the event ongoing support services are needed, the program manager assures that the subject matter experts are periodically deployed to the work sites to support gap analysis, audits or perform monitoring services as required to support compliance program requirements.

The program manager also will advise clients on upcoming changes to NERC Reliability Standards and provide recommendations that should be considered to the compliance program adopted.

The diagram below shows the typical review process followed by the Siemens PTI audit/gap analysis team to support preparation for an NERC Reliability Standards compliance audit.

The goal of a mock audit or gap analysis is to review that the existing compliance program procedures, documentation and supporting reports are consistent with the company’s NERC compliance program standards and objectives, using Generally Accepted Government Auditing Standards (GAGAS), Field Work Standards for Performance Audits, Chapter 6. The team utilizes the RSAW guidelines to identify gaps, inconsistent reporting, or other potential noncompliance violations and makes recommendations to correct deficiencies. Depending upon level of services provided, follow-up actions would be initiated with the program manager, monitoring corrective measures to be taken and having them reviewed by the audit team for acceptance.

To prepare for your upcoming compliance audit, choose an experienced company with a vast resource pool that will provide methods to cost effectively, develop, monitor and manage your compliance program and ensure independent and objective results. Siemens PTI is a long-term partner that delivers complete NERC Compliance Solutions for your business.

Siemens Industry, Inc.
Siemens Power Technologies International
400 State Street
P. O. Box 1058
Schenectady, NY 12301-1058

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