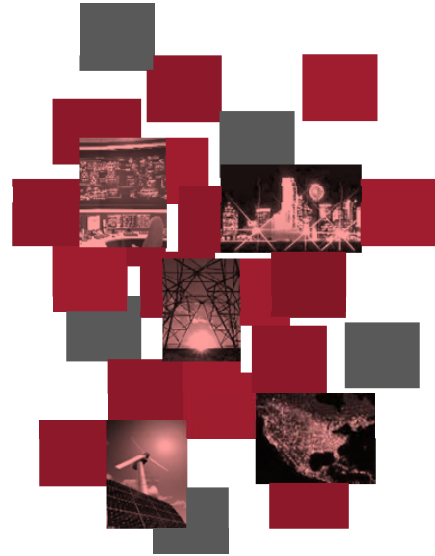
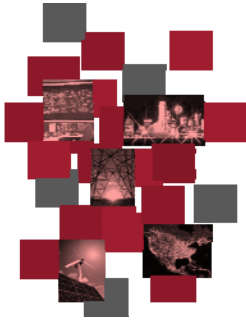


CERTREC
YOUR NERC COMPLIANCE EXPERTS



NERC Internal Compliance Program Assessment



NERC Internal Compliance Program Assessment

“Registered Entities that are able to demonstrate strong internal controls and robust culture of compliance that mitigate risk may be afforded some recognition by way of reduced levels and frequency of compliance monitoring activities.

Deference will be provided for comprehensive compliance assessments that demonstrate a review of applicable standards and appropriate self-reporting.”
- NERC

An internal compliance program focuses on effective internal controls, incentives to promote compliant behaviors, and the maintenance of a culture of compliance.

For NERC Compliance managers who want to quantify the effectiveness of their Internal Compliance Program (ICP), Certrec’s **Internal Compliance Assessment** provides evidence of compliance by independently determining your program’s adequacy in meeting:

- ✓ NERC Reliability Standards
- ✓ Compliance Monitoring and Enforcement Program (CMEP) Requirements
- ✓ Bulk Electric System Standards (including NPIR)
- ✓ FERC Orders 693, 706 and Enforcement Guidelines
- ✓ Regional Entity Criteria, Procedures, and Protocols
- ✓ Internal Controls and Corrective Actions
- ✓ Self-Reporting

Evaluate Your Internal Compliance Program Performance

Certrec's Internal Compliance Program Assessment quantifies compliance performance including:

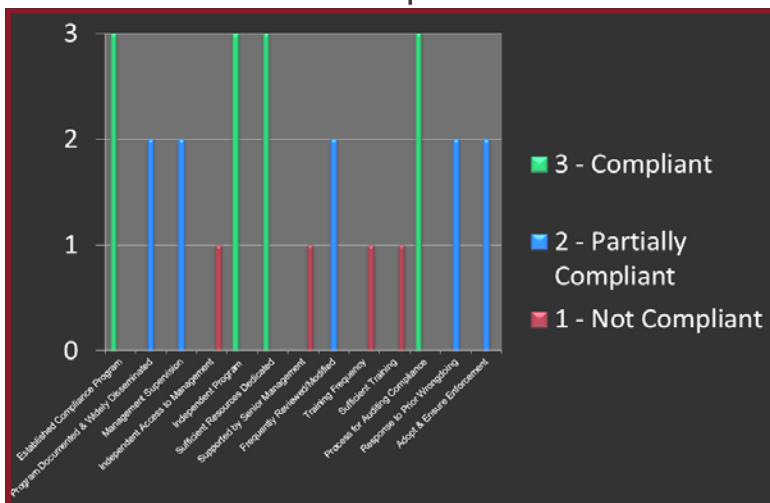
- ✓ Consideration of what a Registered Entity is doing well and performance gaps
- ✓ Results of prior compliance monitoring methods
- ✓ Number of violations discovered via audit or self-identified
- ✓ Number of investigations, repeat violations, corrective actions and mitigation

- ✓ Current RSAWs (Reliability Standard Audit Worksheet) and Applicable Compliance Application Notices (CANs)
- ✓ Data Submittals
- ✓ Compliance Training
- ✓ Remediation Activities

The Internal Compliance Program Assessment is adaptable to smaller entities as well as flexible enough for multi-site GO/GOPs with distinct characteristics across site programs.

Certrec's ICP Assessment is conducted by seasoned compliance professionals who have lived the utility culture, understand the workload, technical knowledge, and skills required to operate generation, transmission and distribution facilities, and have managed regulatory compliance programs.

ICP Assessment Report & Scorecard



ICP Assessment Status

The Internal Compliance Program Assessment results in:

- ✓ A comprehensive and logical description of how you comply with the applicable requirements
- ✓ A detailed analysis of compliance evidence
- ✓ Evidence authenticated as accurate
- ✓ A scorecard ranking compliance with NERC Standards and Requirements
- ✓ Analysis of findings in easy-to-view tables and graphs
- ✓ Recommendations for corrective actions
- ✓ A documented basis for RFQ support from ICP compliance specialists

| Question 1: Is the program operated and managed so as to be independent? | | Finding |
|--|---|------------------|
| | | Compliant |
| Requirements | <ul style="list-style-type: none"> ▪ Independence from day to day decisions over NERC Reliability is needed ▪ The ICP manager should not have responsibility over any direct implementation of a standard | |
| Existing Measures & Supporting Evidence | The entity performs an internal audit supervised by the VP and General Auditor, who is accountable to Sr. Management and an Audit Committee | |
| Recommendations | No recommendations are made at this point. | |

ICP Detailed Findings



Helping You Cut Through the Complexity

Founded in 1988, Certrec is a regulatory compliance expert that helps utilities manage the regulatory process to their advantage.

With more than 1,000 cumulative years of regulatory and industry experience with the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, the North American Electric Reliability Corporation (NERC), and other Regional Entities,

Certrec's:

- ✓ Office of Licensing and Compliance
- ✓ Office of NERC Compliance
- ✓ Office of Assessment and Recovery
- ✓ New Plant Services

are used by utilities across North America.

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