

Staff Report

for the Board of Directors Meeting of March 23, 2016

TO: Honorable Board of Directors

FROM: Keane Sommers, P.E., Hydroelectric Manager *KS*
Jacqueline Longshore, Hydroelectric Compliance Analyst *JL*

DATE: March 14, 2016

**SUBJECT: Nevada Irrigation District Internal Compliance Program
2015 Compliance Risk Assessment Report Summary (Consent)**

HYDROELECTRIC

RECOMMENDATION:

Receive and file this 2015 Risk Assessment Report summary, prepared in accordance with the Nevada Irrigation District (NID) Internal Compliance Program, to the NID Board of Directors as recommended by the Water and Hydroelectric Operations Committee.

BACKGROUND:

Organizations with a strong risk management culture have successfully demonstrate that implementation of Internal Risk Controls Systems (IRCS) are integral to anticipate, predict, and govern operational and compliance risk elements. In its effort to implement such an IRCS, the NID Internal Compliance Program requires the NID Reliability Oversight Compliance Committee (ROCC) to commission an annual risk assessment that identifies weaknesses and vulnerabilities in the NID hydroelectric reliability, compliance and security position.

On December 18, 2015 NID and Grid Subject Matter Experts (GridSME) performed a risk assessment of the NID Hydroelectric Department reliability, compliance and security efforts. The risk assessment focused on four major components including regulatory, staffing, equipment and external risks. Results were documented in a Risk Assessment Report that includes Confidential Critical Energy Infrastructure Information (CEII) associated with current existing risks and the mitigation efforts deployed by NID.

Although NID may have a low inherent risk to the Bulk Electric System (BES) due to its relatively small amount of electrical generation and its location on the Western Interconnection network topology, NID is not free from risk to its organization, community, or BES that is evoked by the regulatory, staffing, equipment and external

challenges identified in the 2015 Risk Assessment Report. With the key risk areas identified, NID will continue to move forward with its risk prioritization, reduction, mitigation and elimination efforts.

BUDGETARY IMPACT:

No budgetary impact.