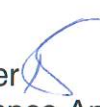



Staff Report

for the Regular Meeting of the Board of Directors, June 14, 2017

TO: Board of Directors

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

DATE: May 15, 2017

SUBJECT: North American Electric Reliability Corporation (NERC)
2016 Self-Certification to the Western Electricity Coordinating
Council (WECC) (Consent)

HYDROELECTRIC

RECOMMENDATION:

Receive and File the Nevada Irrigation District 2016 Self-Certification Status Report prepared in compliance with the North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) reporting requirements as recommended by the Water and Hydroelectric Operations Committee.

BACKGROUND:

As a NERC Compliance Registry (NCR) Listed Entity, upon NERC notification NID must Self-Certify its current compliance status with specified NERC Reliability Standards. Self-Certification is an attestation of compliance or non-compliance with specified NERC Reliability Standards for a given time period. As authorized by NID Board Policy 9400, the Internal Compliance Program approved by the Board of Directors on January 22, 2014 requires that the results of the annual Self-Certification be presented to the Board of Directors.

On December 15, 2016, NID was notified that Self-Certification reporting for the period of January 1 – December 31, 2016 would be due for submission to WECC between January 1 – March 1, 2017. In preparing for the 2016 NERC Self-Certification, NID performed a compliance review and self-audit focused on the seventeen (17) Reliability Standards and fifty-five (55) Reliability Standard Requirements for which the 2016 Self-Certification was required. A compliance review and self-audit found NID to be in full compliance with all subject NERC

Reliability Standards except those that were not applicable to NID. The NID 2016 Self-Certification was submitted on February 2, 2017.

Although NID was in full compliance upon its timely 2016 Self-Certification submission, NID did perform its first NERC Self-Report in 2016 due to potential noncompliance with NERC Reliability Standard *MOD-025-2 – Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability*. Although NERC decided in favor of NID in that the event was a Compliance Exception with no subsequent compliance enforcement or penalties, the experience highlights the regulatory risks faced by NID related to NERC regulations high rate-of-change, ambiguity and lack of clear guidance by regulatory enforcement.

BUDGETARY IMPACT:

No budgetary impact.

KSS
JSL