



NORTHEAST POWER COORDINATING COUNCIL, INC.
1040 AVE OF THE AMERICAS, NEW YORK, NY 10018 TELEPHONE (212) 840-1070 FAX (212) 302-2782

**NPCC Board of Directors Policy Input to the
May 5-6, 2009
NERC Member Representatives Committee,
NERC Finance and Audit Committee (FAC),
and NERC Board of Trustees Meetings**

1. Three Year Performance Assessment

- a. NPCC supports an industry Self Regulatory Organization (SRO) model in which significant industry input is valued and recognized as an important tool, and utilized effectively through streamlined processes
- b. NPCC supports an international reliability assurance structure which deploys the NERC independent Board to provide the vision and direction, the ERO to provide the guidance and oversight, and the Regional Entities to implement delegated responsibility and authority for provision of reliability services
- c. NPCC supports robust Regional Delegation Agreements as effective and efficient vehicles through which to leverage essential region-specific industry expertise within the SRO model
- d. NPCC supports, consistent with Section 215 of the Federal Power Act, a balanced stakeholder governance model for Regional Entities which have procedures in place to assure their independence
- e. NPCC supports Regional Entity participation in statutory and non-statutory activities, so long as such activities are in the furtherance of reliability

2. NERC FAC Considerations with Regard to NERC 2010 Business Plan and Budget Development

- a. NPCC stresses that the continuing expansion of the scope of the ERO is unsustainable from both an economic and implementation perspective
- b. NPCC recommends that audits of CIP standards at the geographically disbursed nuclear plant sites are most appropriately delegated and performed by the geographically disbursed Regional Entities
- c. NPCC recommends that NERC first focus on enhancing its processes and procedures as a way to improve its current performance level and timeliness, prior to proposing additional staff
- d. NPCC recommends that the primary responsibility for Situation Awareness continue to reside with the Reliability Coordinators and that ERO expansion could be duplicative and wasteful
- e. NPCC supports NERC partnering with the industry in a collaborative international implementation of Infrastructure Protection

Approved by NPCC Board
April 28, 2009