

Continuous Improvement

By Erik Johnson, Director, Reliability Analysis, and Sam Ciccone, Senior Reliability Consultant

This new column will be an ongoing series that will provide Continuous Improvement (CI) approaches to topics either discussed in other newsletter articles or any other topics deemed applicable to improving the Security, Resilience and Reliability of the grid.

"Without continual growth and progress, such words as improvement, achievement, and success have no meaning."
- Benjamin Franklin

This introductory article will discuss Continuous Improvement (CI) regarding the ever changing landscape of the NERC Reliability Standards.

You've made it through an audit with no Potential Non-Compliances (PNCs)...that's great, but your journey has just begun!

What do we mean by your journey

The Journey to Security, Resilience and Reliability

has just begun? In other words, by focusing only on compliance, you are only meeting a part of the challenge – and that is with no PNCs. Think of it like an oil pan and the oil that lubricates the engine; remove one and neither has much value. Another example is having a circuit breaker with no line attached. Breakers and lines are both integral to the grid, but one without the other has diminished value.

A last example for those military folks reading is protecting the rear of your forward force but not having a point person performing reconnaissance.

These examples illustrate the point that each part has equal value when they are together. A compliance program and a CI program have the same relationship – while only one is required, it takes both to address the Security, Resilience and Reliability of the grid.

Wait a minute...shouldn't they write additional Standards if they want me to do more?

Yes and they are! Let's look at the impact of Standards duration and how CI prepares you for what's

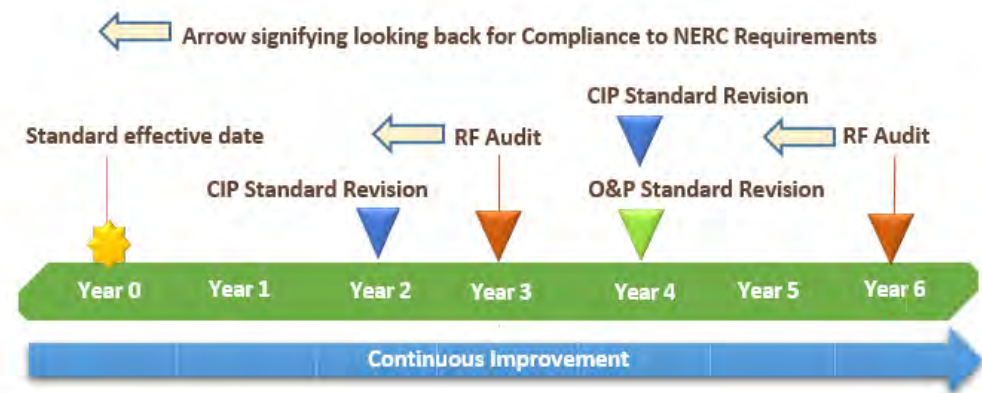
coming. NERC Compliance is sometimes a challenging and resource intensive process that also has moving targets in new and changing Requirements. For instance, here are some statistics about Standards revisions: Ops and Planning and CIP Standards have undergone major* revisions since FERC Order 693 (OPS/PLN) was released in 2007 and FERC Order 706 (CIP) was released in 2008. When you review the frequency of these revisions, on average, NERC Standards have been revised every four years (O&P) and every two years (CIP).

You'll notice this graphical timeline below the view of Standard revisions

and audits includes the proposed CI program discussed in this article.

What Does This Mean?

Changing Standards and having to implement new (or retool existing) processes as a result of new and changing Requirements adds to the complexity of entity compliance and audit preparations. Although this is a Compliance Specialist's full-time job, the scope often falls short of including a focus on CI. Looking ahead to changes, instead of reacting to them as they come, can be instrumental to success. Many entities are required to look back three years for each audit scheduled and performed by RF.



Some entities are on a six-year cycle, and this could mean multiple Requirement changes, especially on the CIP side. During that time, the entity needs preparation for possible new Requirements. This takes proper planning and having effective processes in place to be efficient and successful – not only for compliance, but for organizational maturity, as well as Security, Resilience and Reliability.

What Is the Solution?

What if before, during and after your audit you are looking forward for CI opportunities that you can quickly, efficiently and cost effectively implement? Could this lead to better compliance results that facilitate the creation of programs that build mature and resilient processes that, in turn, increase organizational and compliance program maturity? We believe it can, but there are challenges:

- **Competing Values:** As stated by Rony Kubat in a 2019 article, “compliance and continuous improvement evince fundamentally different values: change vs. consistency. Progress vs. stasis. Risk ready vs. risk averse. Frame it how you will, but there are good reasons manufacturers find themselves on one or the other side of the divide.”¹
- **Management Buy-In:** Possibly the most important part of developing and implementing improvement activities is complete buy-in from top management. Management must be convinced that these activities will reduce resource intensity and help the organization achieve its goals. Furthermore, management needs to see measurable results from the CI program. Without this dedication from the top, the CI program cannot be implemented, or at best it will be implemented inconsistently among areas of the organization that choose to develop their own CI program.

Where Do I Begin?

There are many ways to begin a CI program. Here are a few ideas:

- Participate on a NERC Standards Development Team or comment on Standards that are being developed; this will keep your organization in tune with developments that will impact it.
- Implement tracking metrics to identify and group problem areas and areas where things are performing as expected. This will allow for focusing on areas that need improvement and learning from areas that do not.
- Use the RF Assist Visit program, North American Transmission Forum (NATF) and North American Generator Forum (NAGF) reviews to strengthen processes and procedures.
- Utilize the RF Cyber Resilience Assessment Tool or Continuous Improvement self-assessment.

How Can RF Help?

Assessments can provide a clear and quantitative snapshot of your current state of organizational and compliance program maturity. The RF Entity Development department provides this service, and entities are encouraged to contact RF for an overview of the process. We can evaluate the current state of your reliability maturity by utilizing a model that was built for and tailored to the electric utility industry, as well as providing entities with the ability and intuitive tools to perform these assessments on their own.

Regardless of the method, these assessments generate a roadmap for your CI program. Follow-up status touchpoints and guidance from RF on this roadmap can help an entity show results to their top management. Furthermore, follow-up assessments can also provide benefits by reducing specific risks the entities are facing.

¹ [Balancing Compliance and Continuous Improvement in Highly Regulated Industries](#)

*Major revisions do not include interpretations added to the Standards or errata changes made to the Standard.