ReliabilityFirst
Internal Controls Review

Preston Walker
Reliability Standards and Compliance Subcommittee
April 12, 2019
• PJM is currently engaged in an Internal Controls Review with RF
• First Controls Review of this nature
• Objective is to reduce scope of Standards for the Audit
As defined in the RF 2018 Workshop:

Controls are:

- Activities that we perform to ensure that what we want to happen *will* happen
- And the things we don’t want to happen, *won’t* happen
Overall 2019 Audit Timeline

- **February/March**
  - Mock Audit: March 11 – 15
  - Controls Review: Feb 7 – March 8
  - Ongoing: Communications & Training

- **April/May/June**
  - Address Mock Audit Findings: March 13 – July 22

- **July/August**
  - Data Requests: July 22 – Oct 21
  - Audit Scope Notification: July 22
  - Audit: Oct 21-25

- **September/October**
  - Report potential issues: Jan 1 – July 22
**Key Deadlines**

- **Jan. 17th**
  - PJM received RF’s Proposal

- **Feb. 6th**
  - PJM Received Scope
    - (20 Standards, 52 Req.)

- **March 8th**
  - Submit Controls to RF

- **April 12th**
  - Submit RFIs to RF
<table>
<thead>
<tr>
<th>Applicable Standard</th>
<th>Applicable Requirement(s)</th>
<th>#</th>
<th>Internal Control</th>
<th>Control Type (Preventive or Monitoring/Detector)</th>
<th>Control Frequency (e.g. real-time, daily, monthly, quarterly, annual, etc.)</th>
<th>Control Owner</th>
<th>Evidence of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC-005-6</td>
<td>R3.</td>
<td>1</td>
<td>Maximo is used as a computerized maintenance management system to track protection system maintenance and testing. Alerting is enabled to notify personnel of approaching due dates for maintenance</td>
<td>Preventative</td>
<td>On-going</td>
<td>C. Transformer</td>
<td>See Maximo screenshots</td>
</tr>
<tr>
<td>FAC-003-4</td>
<td>R1.</td>
<td>2</td>
<td>Public outreach is performed so that the public understands the important of vegetation management through various advertisement methods. Call in number is provided in all ads and the public is advised to report tree issues</td>
<td>Detective</td>
<td>On-going</td>
<td>B. Walnut</td>
<td>See example advertisements</td>
</tr>
<tr>
<td>EOP-010-1</td>
<td>R1.</td>
<td>3</td>
<td>System operators and applicable personnel receive annual training and simulation of the GMD Operating Procedure. After which, their feedback is documented and assessed for inclusion in the GMD Operating Procedure.</td>
<td>Corrective</td>
<td>Annual</td>
<td>A. Solar</td>
<td>See 2017 feedback form and 2018 GMD procedure reflecting the feedback</td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>On an annual basis, an internal audit is completed to review compliance to all applicable standards.</td>
<td>Preventative</td>
<td>Annual</td>
<td>Internal Audit Department</td>
<td>See 2017 and 2018 internal audit reports</td>
</tr>
</tbody>
</table>
RF Deliverables

- Controls assessment of select NERC Standards and Requirements
- All work performed during this controls review will be included in audit IRA
- Modified Compliance Oversight Plan (COP)
  - Potentially reduced Audit scope
Preston Walker

- Reliability Compliance
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