



Staff Report

for the Board of Directors Meeting of April 26, 2017

TO: Board of Directors

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

DATE: April 11, 2017

SUBJECT: Nevada Irrigation District Internal Compliance Program
2016 Compliance Risk Assessment Report Summary (Consent)

HYDROELECTRIC

RECOMMENDATION:

Receive and file this 2016 Risk Assessment Report summary prepared in accordance with the Nevada Irrigation District (NID) Internal Compliance Program as recommended by the Water and Hydroelectric Operations (WHO) Committee.

BACKGROUND:

Organizations with a strong risk management culture have successfully demonstrated 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 29, 2016 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 the following five major components:

- Equipment and Technology
- Regulatory
- Staffing
- Energy Revenue and Power Market Landscape
- Operating Environment

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.

North American Electric Reliability Corporation (NERC) continues to recognize that NID has 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. However, NID is not free from risk that is created by equipment and technology, regulatory, staffing, energy revenue and power market landscape, and the operating environment challenges identified in the 2016 Risk Assessment Report. With key risk areas identified, NID will continue to move forward with risk prioritization, reduction, mitigation and elimination efforts. The WHO Committee has requested regular updates on the activities undertaken by the Hydroelectric Department to mitigate the risks identified in the Assessment.

BUDGETARY IMPACT:

No budgetary impact.

KSS

JSL