



# Procedure for Conducting Spot Checks

CP-05

Rev. 8

*The NERC Rules of Procedure and the Regional Delegation Agreement are the overriding documents that govern the implementation of the NERC CMEP. Refer to the specific Memorandum of Understanding (MOU) with Canadian jurisdictions for overriding documents applicable to Spot Checks performed on Canadian Entities.*

**Process Owner:** Vice President, Compliance

**Effective Date:** February 26, 2025



## Table of Contents

1. Introduction.....	3
2. Spot Check Planning .....	3
3. Spot Check Process .....	3
4. References .....	5
5. Revision History.....	6

### **Review and Re-Endorsement Requirements**

This document will be reviewed every two years from the effective date, or as appropriate for possible revision. The existing or revised document will be endorsed by the NPCC Compliance Committee, distributed to Staff and committees/working groups, as applicable, and will be posted to the NPCC website for reference.



## 1. Introduction

All Registered Entities within the Northeast Power Coordinating Council, Inc. (NPCC) Region are subject to Audits, Spot Checks, and Self-Certifications for compliance with all Reliability Standards applicable to the identified functions performed by the Registered Entity. NPCC has developed and implemented this procedure for conducting Spot Checks of its Registered Entities. The purpose of this procedure, including the use of the North American Electric Reliability Corporation (NERC) Compliance Process Directives and Bulletins, is to ensure consistency and objectivity in assessing all Spot Checks. The NPCC Compliance Staff may direct the initiation of a Spot Check at any time to verify or confirm compliance with Reliability Standards in accordance with the NERC Compliance Monitoring and Enforcement Program (CMEP).

The terminology used herein is as defined by the NERC Rules of Procedure (ROP), NERC Glossary of Terms, and NPCC Glossary.

## 2. Spot Check Planning

Spot Checks may be conducted by NPCC Compliance Staff at any time, at NPCC's discretion or as directed by NERC. Spot Checks may be initiated randomly; by an outside event such as system events, complaints, or operating problems; or as part of NPCC's annual Compliance Monitoring activities. NPCC may also choose to use a Spot Check to verify or confirm Self-Certification, Periodic Data Submittal, or follow-up on Audit findings. Spot Checks will be used to ensure compliance to specific Reliability Standards that NPCC Staff deems appropriate as outlined under "Spot Check Scope."

NPCC will not publicly post a Spot Check Schedule on the NPCC website.

### 2.1 Spot Check Scope

The NPCC Director of Compliance or delegate identifies the Reliability Standards for Spot Checks based on the NERC CMEP Implementation Plan, monitoring engagement results, input from Enforcement Staff, in response to events or operating problems, or as directed by NPCC Management.

NPCC Compliance Staff is responsible for monitoring the performance of the Spot Check process. Spot Checks can take the form of an on-site review, or an off-site data submittal review. NPCC Compliance Staff reviews the Spot Check evidence submitted to verify the Registered Entity's compliance with the Reliability Standard(s) in scope of the Spot Check. NPCC Compliance Staff has the authority to expand the scope of a Spot Check if the need arises.

## 3. Spot Check Process

**3.1.** NERC's Align and Secure Evidence Locker (SEL), or appropriate compliance program in certain Canadian jurisdictions, will be utilized to perform Spot Checks.

**3.2.** NPCC Compliance Staff will issue a Spot Check notification letter that will include:

- Notification that a Spot Check will be performed;  
**NOTE:** The Spot Check may warrant an On-Site review.
- The reason for the Spot Check;



- The scope of the Spot Check including the Reliability Standard Requirements that will be assessed;
  - The Spot Check Team Members and their biographies;
  - Confirmation that each member has completed a confidentiality agreement or acknowledgement;  
**NOTE:** The Registered Entity may object to inclusion of any individual on the Spot Check team on the grounds specified in ROP Appendix 4C Section 4.1.4.4<sup>1</sup> or in accordance with any applicable Canadian provincial Memorandum of Understanding (MOU) and/or agreements. The specific timing on objections is outlined in ROP Appendix 4C Section 4.3.1<sup>2</sup> or otherwise specified in the applicable Canadian provincial MOU and/or agreements.
  - The Submittal Date for initial Data Requests and evidence;  
**NOTE:** Initial Requests made by NPCC Compliance Staff will allow at least twenty (20) calendar days, or as otherwise specified by any applicable Canadian provincial MOU and/or agreements, for the information to be submitted and available for review.
  - The expected completion schedule.
- 3.3.** If, after receiving notice of a Spot Check, the subject Registered Entity discovers a potential noncompliance (PNC) when gathering evidence, NPCC Compliance Staff will recommend that the Registered Entity immediately notify the NPCC Spot Check Team Lead identified in the Spot Check notification letter of the PNC and provide any/all evidence related to the PNC in the initial submission. The self-discovery and reporting of the PNC during the preparation for a scheduled Spot Check will be reviewed by NPCC Staff. NPCC Compliance Staff will recommend the entity begin performing and documenting any mitigating actions for the possible violation. NPCC Staff will request various information surrounding the PNC including, but not limited to:
- Start date of the PNC;
  - End date of the PNC;
  - Impacts of the PNC on the Bulk Electric System (BES);
  - Risk posed to the BES;
  - Mitigating factors impacting the severity of the PNC;
  - Details surrounding the PNC; and
  - Mitigation activities planned and/or completed.
- 3.4.** NPCC Compliance Staff will request that the Registered Entity provide NPCC required Spot Check evidence in the format specified and a Compliance Narrative (or their jurisdictional equivalent) by the defined due date. Documentation may include:
- Testimonial evidence (oral or written);
  - System generated reports;
  - Written reports; and
  - Other forms of evidence.

---

<sup>1</sup> [Appendix 4C](#)

<sup>2</sup> [Appendix 4C](#)



- 3.5. The NPCC Compliance Staff will review Spot Check evidence obtained to assess compliance with the Reliability Standards and may request additional evidence, if necessary, in order to complete the Spot Check. NPCC Compliance Staff will communicate the deadlines for each step of the Spot Check process. The Spot Check Team Lead has the authority to respond and grant reasonable requests for extension.
- 3.6. If the requested Spot Check evidence is not received in the required format or by the due date, NPCC Compliance Staff will notify the NPCC Director of Compliance or delegate. The NPCC Director of Compliance or delegate will review the circumstances and reasonableness of the request and contact the Registered Entity's Primary Compliance Contact (PCC), and if needed, Primary Compliance Office (PCO) to discuss the Spot Check. If requested Spot Check information is not received by the due date or unreasonable requests for extension are made, the NPCC Compliance Staff shall execute the steps described in the Attachment 1 of Appendix 4C, Process for Non-submittal of Requested Data or as otherwise specified in any applicable Canadian provincial MOU and/or agreements.  
**NOTE:** *The NPCC Director of Compliance or delegate also notifies the NPCC VP of Compliance and initiates the escalation process for the submittal of data in instances where the Registered Entity does not supply the Spot Check data as requested.*
- 3.7. NPCC completes and documents the assessment of the Registered Entity based on compliance with the Reliability Standard(s). NPCC Staff will notify the entity if the provided evidence is not sufficient to demonstrate compliance.
- 3.8. NPCC Compliance Staff provides the Registered Entity a copy of the Draft non-public Spot-Check Report and solicits comments back within ten (10) business days or as specified in any applicable Canadian provincial MOU and/or agreements. A final non-public Spot Check Report with associated details is sent to the Registered Entity and stored in accordance with NPCC record retention requirements. NPCC does not create Public Spot Check Reports. Therefore, there are no Public Spot Check Reports to be shared or made publicly available.
- 3.9. In the U.S. and appropriate Canadian jurisdictions, the final non-public Spot Check report shall be transmitted to NERC.
- 3.10. If a PNC is discovered, NPCC Enforcement will begin processing as per the applicable CMEP.

## 4. References

- 4.1. Regional Delegation Agreement between NERC and NPCC
- 4.2. North American Electric Reliability Corporation Rules of Procedure
- 4.3. NPCC CP-01, Implementation of the NPCC Compliance Monitoring and Enforcement Program (CMEP)
- 4.4. NPCC CMEP Implementation Plan (latest version)
- 4.5. Nova Scotia MOU between NPCC, Nova Scotia Power and NERC
- 4.6. Ontario MOU between NPCC, Ontario IESO, and NERC
- 4.7. Québec MOU/Agreement between NPCC, the Régie, and NERC
- 4.8. Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP)
- 4.9. New Brunswick MOU between NPCC, New Brunswick Energy Utility Board and NERC
- 4.10. New Brunswick Compliance Monitoring and Enforcement Program (NB CMEP)



## 5. Revision History

Version	Date	Changes Made	Reviewed By	Endorsed By NPCC Compliance Committee
0	07/22/2008	Original Document	NPCC VP, Compliance	07/22/2008
1	08/12/2009	Removed section 4 NERC Auditor Guides Added References to NERC Bulletins Formatting and Editing	NPCC VP, Compliance	08/12/2009
2	10/14/2011	Created Revision History Table Placed changes into revision history, Deleted section 6-Summary of changes Changed comment period from one week to ten days Edited section 4.12 Spot Check Audit Report to include naming conventions and reflecting new requirement for spot check report in lieu of spot check letter Added NERC 2012 Implementation Plan to references Added NERC Compliance Process Directive #2010-CAG-001 to references	NPCC Auditor	12/12/2011
3	04/09/2013	Added Section 4.3 regarding Possible violations discovered by an entity after initial notification of a spot check. Deleted reference to Public Spot Check Reports. Removed Section 4.11	NPCC Auditor	04/17/2013
4	03/03/2015	Minor edits in Section 4	NPCC Auditor	03/17/2015
5	11/15/2015	Reference to forms of Compliance Monitoring.	NPCC Director, Compliance	12/03/2015
6	06/01/2018	Minor updates to personnel titles, the process for self-identified possible non-compliance after receipt of a Spot Check notification and updated the References.	NPCC Director, Compliance	06/13/2018
7	11/25/2020	Minor edits in Section 4 Formatting and Editing	NPCC VP, Compliance	12/3/2020
8	02/13/2025	Major Revision.  - Put on new NPCC template  - Changed all references to "Spot-Check" to "Spot Check" for consistency within the document and with the ROP	NPCC VP, Compliance	02/26/2025



Version	Date	Changes Made	Reviewed By	Endorsed By NPCC Compliance Committee
		<ul style="list-style-type: none"><li>- Formatting and Editing Changes</li><li>- Updates to include Canadian Information</li><li>- Updates to reflect process changes for Align, where applicable</li><li>- Changes to reflect title updates and add in delegation ability</li><li>- Changed references from CC “approval” to CC “endorsement”</li><li>- Reworded Section 2, including renaming “Spot Check Schedule” to “Spot Check Planning”, clarified that NPCC’s Spot Check Schedule will not be publicly posted, moved “Spot Check Scope” under Section 2 (rather than having its own section), and clarified that NPCC may begin a Spot Check at NPCC’s discretion or NERC’s direction.</li><li>- Clarified “Spot Check Process” to add additional detail regarding the Spot Check Notification and the entity’s ability to object to team members. Added additional detail on how to address PNCs identified after Spot Check Notifications have been issued.</li></ul>		