

# CCRO

COMMITTEE  
OF  
CHIEF  
RISK  
OFFICERS

The CCRO meets every other month in person, and more frequently through webmeetings



## About the CCRO: Who We Are

### A Non-Profit Organization for Best Risk Management Practices in Energy

The Committee of Chief Risk Officers (CCRO) is an independent non-profit corporation of member companies. The CCRO is dedicated to the advancement of a broad range of best practices in the field of risk management, and its many associated issues from finance, accounting, operations and audit. These diverse issues are at the core of the financial health and effectiveness of energy companies and of our energy industry overall. In its sixth year of business, the CCRO is today recognized in and around the industry as a premier source for independent, expert practitioner knowledge and perspective.

### Member Companies

Members include companies of all types and sizes engaged in the energy industry, spanning the gas, power, petroleum, brokerage, and consulting industries. Most of today's CCRO members are from the USA and Canada. All members share the need for clear guidance towards today's best practices that support their ongoing financial health and an outlook for sustainable growth. Our member companies are continuously improving themselves and our energy industry through CCRO practice development, publication, promotion, and training.

### People

Because the CCRO is a company membership organization and the issues we address are so very diverse, many company

functions are involved. Participants are not just Chief Risk Officers. Participants in our work typically come from the professions of risk, treasury, finance, audit, compliance and accounting, to name a few. For these people, the CCRO is a rich and unique organization for professional development which is most valuable to their employer.

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## How to Participate in the CCRO

# 2009

This year we offer a number of ways to get involved. Full and Participating members make-up the bulk of our people, representing approximately twenty-five energy organizations. A limited number of Associates are consulting firms with a primary focus on energy and/or risk management issues. Subscribers to the CCRO gain access to published white papers, articles, and a growing list of other web-based risk management resources. Finally, participants in any active CCRO industry initiatives do not have to be members to participate.

For more information about being active with the CCRO in any of these ways, contact us at:

[info@ccromembers.org](mailto:info@ccromembers.org)

## Membership Value

Just as CRO's face a variety of challenges and responsibilities, CCRO members gain a wide range of benefits from their participation with CCRO.

Most importantly, these benefits will likely meet both the current and future demands facing the industry and its professionals.

### Stay Abreast of Unpublished Industry Thinking

For the company with a strong risk management culture, the ability to have a detailed dialogue with their peers is invaluable. The best way to validate their own perspectives regarding the broad challenges of an ERM function compared to the experiences of other companies.

### Share Experiences With Peers

Because our financial practices are not commercially sensitive or competitive in nature, members can share their successes/failures in trying to address common risk-related problems.

This is one reason the atmosphere in the CCRO is very collegial and enjoyable. The CCRO with its working-group method of getting things done is ideal for developing dialogue with your peers on these professional practice issues.

### Access all past CCRO Work

As a member of the CCRO, all of our white papers are available for anyone in your company (in both PDF and MS Word format). In addition, we have some risk models available only for member use.

Our Internet portal system provides access to all member contacts and our papers without any need to contact the CCRO staff. The portal allows you to see our calendar showing all working group conference calls and meetings with detailed Web interactive links provided.

### Attend CCRO Meetings

Members are invited to all of our 10 monthly meetings each year. Meetings occur most often in Houston or Washington, DC, with occasional meetings held at member offices to add some variety. Depending on their calendar, most members try to make it to five or more of our meetings each year.

Meeting attendance and participation is obviously voluntary, but it is the best way to get to know other members given the various activities conducted at each session.

**CCRO: The Chief Risk officer of a corporation assesses and plans mitigation for potential risks which could cost a company millions in management costs.**



## About the CCRO: What We Do

The CCRO's primary businesses are to:

- I. Provide a forum for sharing of professional practices,
- II. Author and publish technical white papers and other documents
- III. Facilitate constructive industry initiatives
- IV. Offer expert training and other support for professional development

### Provide a Forum for Members & Guests

The CCRO is the premier place for sharing and developing of those risk management-related best practices that energy industry leaders strive for in their pursuit of managerial and financial excellence. The CCRO hosts monthly meetings in Houston and Washington, DC where working groups, formed to address specific topics, may update each other on their progress and where new issues for the CCRO to consider may be discussed. Typical issues addressed include:

- Risk measurement approaches
- Risk control & mitigation
- Financial risk reporting
- Market transparency
- Commercial compliance
- Capital adequacy and liquidity
- Internal auditing
- Governance, oversight, & policy

### Uncover and Develop Best Practices

For both those just starting and the more advanced, it is critical to know the risk measurement/management/control approaches developed with the CCRO are accepted widely as "best practice" by other companies, rating agencies, and regulators. This assures that your risk management efforts will also be "on-track" and most valuable to management & credible to outside stakeholders.

For some, the CCRO is a platform for codifying and advancing your own practices that others are likely to see as beneficial and adopt. Your risk practices are always far more credible and valuable to outsiders and to your management if others follow your approach and can be in some way 'benchmarked'. This was much of the driving force for the CCRO's earliest work.

CCRO include people from many professional areas, including treasury, credit, strategic planning,



## Author & Publish Documents

Because of our unique role as the unbiased publisher of best practices, our expert documents are today a significant force for advancing the financial practices and financial health of companies. Our published documents or “white papers” provide a unique independent reference material for energy company management, boards, regulators, and industry observers. These papers provide consolidated, non-exclusive, authoritative documents that any of those beneficiaries may use when developing their own internal practices. During our research process, we often found that while some companies already follow many best practices, these practices are not codified and universally accepted as standards. CCRO white papers provide the needed codification of best practices for them to become industry standards. Furthermore, the on-going development of CCRO white papers challenges our industry and provides the impetus to keep best practices always advancing towards even greater efficiency and effectiveness.

The implementation of CCRO best practices are entirely voluntary for our members. However, the CCRO strongly encourages all our energy industry’s participants to adopt the best practices outlined in our white papers. We believe that adoption of these practices reduces risk, enhances financial health, fosters market liquidity, and increases the efficiency of the trading and marketing of energy, all ultimately benefiting consumers and investors.

## Facilitate Constructive Industry Initiatives

From time-to-time, the CCRO may provide a platform for the advancement of specific practices which could not be provided by any particular industry participant alone. The CCRO has the legal support and operational capabilities to bring the industry together for its own advancement. Examples include: the evaluation of the state of market price reporting in 2004 which gave industry regulators and companies a perspective previously unavailable and the spin-off of an independent Energy Data Hub company for the advancement of market transparency in 2006, which is to begin its operation in 2007.

## Provide Training in Best Practices

The CCRO offers its members and outsiders training centered around its white papers. Companies may send financial or operational managers, and board members for customized, expert training hosted by CCRO resources and member representatives.



## Industry Initiatives

From time-to-time, The CCRO steps forward to provide the industry with a platform for constructive initiatives that advance management best practices, market health, and market transparency. In this role the CCRO provides an independent, regulatory compliant platform for any industry competitors, CCRO members and others, to come together