

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Industry Webinar

Project 2019-01 Modifications to TPL-007-3

November 12, 2019

11:30 a.m. – 1:00 p.m. Eastern

RELIABILITY | RESILIENCE | SECURITY



Administrative

- Review NERC Antitrust Compliance Guidelines and Public Announcement

Agenda

- Project Status
- Feedback on Project 2019-01
- TPL-007-4 R7 and R11
- Supplemental GMD Event
- Extension Review Process
- Questions and Answers

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition. It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Participants are reminded that this meeting is public. Notice of the meeting was widely distributed. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

- Regulatory Filing Deadline of July 2020
- Order 851 directed NERC:
 - (1) to require the development and implementation of corrective action plans to mitigate assessed supplemental GMD event vulnerabilities; and
 - (2) to authorize extensions of time to implement corrective action plans on a case-by-case basis.
- Initial Ballot Results
 - Quorum 91.44% (75%)
 - Affirmative 70.84% (66.67%)
- This is the formal final ballot
 - 10-day ballot period, November 13, 2019 – November 22, 2019

| Name | Organization/Company |
|-----------------------------|--|
| Emanuel Bernabeu (Chair) | PJM |
| Per-Anders Lof (Vice Chair) | National Grid |
| Aster Amahatsion | AEP |
| Justin Michlig | MISO |
| Jow Ortiz | FPL |
| Rey Ramos | Southern Company |
| Mike Steckelberg | GRE |
| Rui Sun | Dominion |
| Cynthia Yiu | Hydro One |
| Alison Oswald | North American Reliability Corporation |
| Lauren Perotti, Counsel | North American Reliability Corporation |

Common issues

- Case-by-Case Time Extensions
 - FERC Orders 830 & 851 - NERC should consider extensions of time on a case-by-case basis.
 - CAPs to be completed within two years for non-hardware and four years for hardware mitigations.
- Owner of Extension Process
 - FERC Order 851 - submission to be made "to NERC or a Regional Entity, as appropriate."
- CAP for Supplemental Event
 - FERC Order 851 requires development of CAPs for supplemental GMD event vulnerabilities.

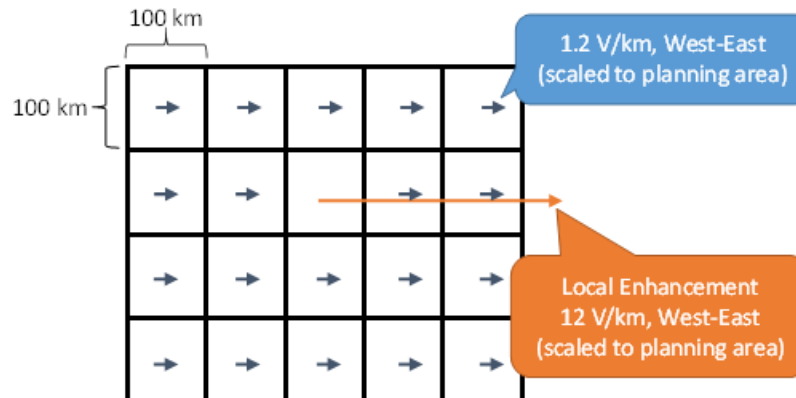
- DRAFT Red-line of Requirement R7 for Project 2019-01 R7.3 and R7.4 (R11.3 and R11.4 updated the same way)

- 7.3.** Include a timetable, subject to ~~ERO~~ approval for any extension sought under Part 7.4, for implementing the selected actions from Part 7.1. The timetable shall:
 - 7.3.1.** Specify implementation of non-hardware mitigation, if any, within two years of development of the CAP; and
 - 7.3.2.** Specify implementation of hardware mitigation, if any, within four years of development of the CAP.
- 7.4.** Be submitted to the Compliance Enforcement Authority (CEA)~~ERO~~ with a request for extension of time if the responsible entity is unable to implement the CAP within the timetable provided in Part 7.3. The submitted CAP shall document the following:
 - 7.4.1.** Circumstances causing the delay for fully or partially implementing the selected actions in Part 7.1 and how those circumstances are beyond the control of the responsible entity;
 - 7.4.2.** Revisions to the selected actions in Part 7.1, if any, including utilization of Operating Procedures, if applicable; and
 - 7.4.3.** Updated timetable for implementing the selected actions in Part 7.1.

Supplemental GMD Vulnerability Assessment – Part of the Implementation Guidance document

- Standard maintains flexibility to apply the supplemental GMD event.
 - Guidance provides acceptable approaches and boundaries.

| Spatial | Goelectric Field | | Position |
|----------------|----------------------|---------------------------|--|
| | Inside | Outside | |
| Min 100x100 km | 12 V/km West-East | Min 1.2 V/km West-East | Engineering judgment or systematically move |



- The CAP Extension Request Review Process document was developed by NERC Compliance Assurance, not Project 2019-01 Standard Drafting Team.
- CAP Extension Request Review Process expresses how ERO Enterprise Compliance Monitoring and Enforcement (CMEP) staff will jointly review CAP extensions requests.
- Used if a Corrective Action Plan developed in accordance with TPL 007-4 R7 or R11 cannot meet the timetable due to situations beyond control of the responsible entity.
- Examples of situations beyond control of the responsible entity include, but are not limited to:
 - Delays resulting from regulatory/legal processes, such as permitting;
 - Delays resulting from stakeholder processes required by tariff;
 - Delays resulting from equipment lead times; or
 - Delays resulting from the inability to acquire necessary Right-of-Way.

- Provisions for entities submitting a joint extension request
- Additional clarity for entities in Coordinated Oversight
- Timeline for submission and review
- Clarified communication of receipt and final determination will be in writing
- Examples of situations that are beyond the control of the responsible entity



Questions and Answers



Webinar has ended – Thank You