NERC NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Agenda

Reliability Issues Steering Committee

November 12, 2021 | 12:00-1:30 p.m. Eastern Virtual Meeting

ATTENDEE WebEx Link: Join Meeting

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda Items

- 1. Extreme Weather Preparedness*
 - a. Findings of FERC/ERO Enterprise Joint Inquiry into 2021 Cold Weather Operations Information
 - b. Cold Weather Activities Update
 - i. Level 2 NERC Alert Activities
 - ii. 2021-2022 Winter Reliability Assessment Preview
 - iii. Cold Weather Standards
- 2. Status on Work Associated with the Framework to Address Known and Emerging Reliability and Security Risks* Update
 - a. Prioritization of Reliability, Resilience, and Security Risks
 - b. Risk Registry
 - c. Reliability and Security Technical Commitee Tiger Team
- 3. 2021 GridSecCon Summary Update
- 4. Membership Nomination Cycle* Update
- 5. Other Matters and Adjournment

*Background materials included.



Antitrust Compliance Guidelines

I. General

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.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

 Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Agenda Item 1 Reliability Issues Steering Committee Meeting November 12, 2021

Findings of FERC/ERO Enterprise Joint Inquiry into 2021 Cold Weather Operations

Action

Information

Background

NERC staff will provide a presentation with background and overview of the February 2021 Cold Weather event that affected millions of customers in the Midwest and South-Central states. FERC, NERC, and the Regional Entities initiated a joint inquiry of the event to identify problems with the performance of the bulk power system and, where appropriate, solutions for addressing those issues.

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February 2021 Cold Weather Grid Operations Joint Inquiry Update and Next Steps

Steven Noess, Director, Regulatory Programs Reliability Issues Steering Committee Meeting November 12, 2021



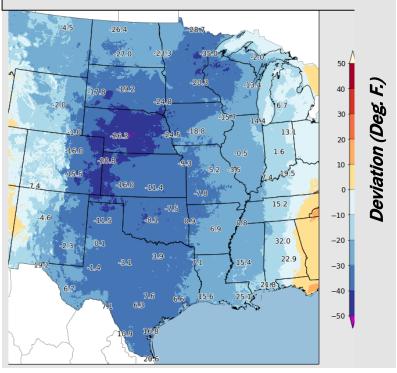
 Unprecedented electric generation outages

CORPORATION

- Over 23,400 Megawatts (MW) of controlled electric customer power interruptions were needed for many hours during severely cold weather to avoid entire system blackouts
- Ranks 3rd in U.S. history based on preventable MW of customers outaged:
 - August 2003 Northeast Blackout (61,000 MW)
 - August 1996 West Coast Blackout (28,000 MW)
 - February 2021 Cold Weather Event (23,400 MW)

Minimum Temperatures (Deg. F) and Departure from Average Daily Minimum

Cold Weather Week of February 14, 2021







Preliminary Key Findings

- **1.** Generation Freezing Issues
- 2. Natural Gas Fuel Supply Disruptions
- 3. Natural Gas and Electric Reliability Interdependency
- 4. ERCOT Firm Load Shed Affected Natural Gas Facilities
- 5. Manual and Automatic Load Shed Coordination
- 6. Electric Reliability Coordination

Press Release and Presentation



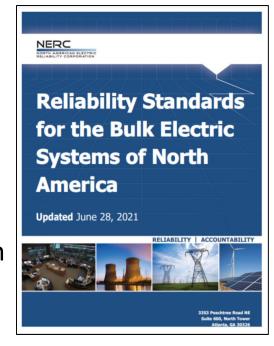
- 28 Recommendations, which include:
 - Nine key recommendations, including Reliability Standards changes
 - Five recommendations for further study
- Each have recommended timeframes for implementation
 - before Winter 2021/2022
 - before Winter 2022/2023
 - before Winter 2023/2024

Most are recommended within these timeframes

• Some could extend beyond winter 2023-2024, but should be completed as soon as possible



- 1. Nine Revisions to the Reliability Standards:
 - Identification of critical components
 - Specified ambient operating temperature
 - Annual training
 - Development of Corrective Action Plans
 - Better information for BAs and RCs
 - Enhance BA/RC analysis and operations planning
 - Protect critical natural gas infrastructure from manual load shed
 - Prohibit use of critical natural gas infrastructure in demand response
 - Separation of feeders for load shed





- Final Joint Inquiry report expected in November
- Coordination of ERO Enterprise cold weather activities for winter 2021 – 2022
 - NERC Alert
 - CMEP Practice Guide
 - Outreach visits/activities
 - Joint Inquiry recommendation tracking
- Standards Authorization Request (SAR) submitted covering all Reliability Standard recommendations



Questions and Answers

Agenda Item 1b.i Reliability Issues Steering Committee Meeting November 12, 2021

Level 2 NERC Alert Activities

Action

Update

Background

NERC staff will provide an overview of the Level 2 NERC Alert, the takeaways, and recent activities.

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Level 2 NERC Alert Activities

Soo Jin Kim, Director, Power Risk Issues and Strategic Management (PRISM) Reliability Issues Steering Committee Meeting November 12, 2021





Readiness for the Upcoming 2021/2022 Winter

Risk Mitigation Actions	Progress Since August
NERC Reliability Standards Development Activities	 In progress Standards Authorization Request (SAR) submitted to address Inquiry Recommendations Cold Weather Standards approved by FERC
Severe Winter Weather Preparedness Outreach and Industry Engagement	 Ongoing; seven ERO-sponsored webinars Over 2,000 combined participants NERC Webinar: Preparation for Severe Cold Weather Sharing of Lessons Learned
Registered Entity On-site/Virtual Engagement	Initiated and ongoing
Level 2 NERC Alert	 Complete and posted Data submitted with 97% response rate Responses informing outreach and engagement activities
Compliance Monitoring and Enforcement Program (CMEP) Practice Guide	Posted October 2021
2021/2022 Winter Reliability Assessment	 Expected to be published Mid-November Preview at November 4 Board Meeting



- NERC issued a Level 2 Alert Recommendation to Industry on August 18, 2021.
- The alert targeted Reliability Coordinators (RCs), Balancing Authorities (BAs), Transmission Operators (TOPs), and Generator Owners (GOs).
- The alert consisted of 5 recommendations and 25 questions, 2 questions for RCs, 4 questions for BAs, 4 questions for TOPs, 15 questions for GOs.
- The Level 2 NERC Alert provides specific recommended actions that NERC registered entities should consider in response to a particular issue.



- 100% of RCs and approximately 80% of TOPs and BAs responded that their organizations developed operating plans that are close to real-time (2–3 days ahead).
- In addition, 100% of RCs and over 97% of TOPs and BAs who reported having operating plans reported that these plans address the operating conditions such as cancellation of outages, generator starting, operating forecasts, and ramping requirements.



- 80% of TOPs responded that they conduct, or will conduct, a complete or partial seasonal assessment including weatherization, equipment, and transfer capability.
- Over 90% of GOs with fossil-fired generation reported that they survey, or will start surveying, the unit weatherization and availability.
- BAs and GOs were mixed in other responses, with many entities indicating they did not plan to coordinate with fuel providers, conduct fuel surveys, or reinforce weatherization capabilities.



- 40% of TOPs and 60% of BAs responded that they did not analyze import capabilities during extreme weather situations.
- GOs are a significant risk, with almost half of fossil-fired entities not communicating with their fuel providers before and during extreme cold weather.
- Preliminary analysis of survey responses indicates that higher risk of unavailable generation during extreme weather is in MRO, Texas, and WECC Regions. NPCC, RF, and SERC responses indicate lower risk of unavailable generation.



Questions and Answers

Agenda Item 1b.ii Reliability Issues Steering Committee Meeting November 12, 2021

2021-2022 Winter Reliability Assessment Preview

Action

Update

Background

The NERC 2021-2022 Winter Reliability Assessment (WRA) identifies, assesses, and reports on areas of concern regarding the reliability of the North American bulk power system (BPS) for the upcoming winter season. An analysis and summary of the NERC Level 2 Alert *Cold Weather Preparations for Extreme Weather Events* responses will be included in the report. In addition, the WRA will present peak electricity supply and demand changes, as well as highlight any unique regional challenges or expected conditions that might impact the BPS. The reliability assessment process is a coordinated reliability evaluation between the Reliability Assessment Subcommittee (RAS), the Regional Entities, and NERC staff.

The final report reflects NERC's independent assessment and is aimed at informing industry leaders, planners and operators, as well as regulatory bodies in order that they can be better prepared to take necessary actions to ensure BPS reliability. The report also provides an opportunity for the industry to discuss their plans and preparations for ensuring reliability throughout the upcoming winter period.

Pursuant to delegated authority from the Board of Trustees, NERC management expects to issue the 2021-2022 Winter Reliability Assessment on or about November 17, 2021. The review schedule below identifies key milestones for the report.

2021-22 Winter Reliability Assessment Review Schedule			
Date	Description		
October 14	Draft sent to NERC Reliability and Security Technical Committee (RSTC)		
November 10	Report sent to NERC Executive Management		
November 12	Final report sent to NERC Board		
November 17	Report release		

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2021-2022 Winter Reliability Assessment

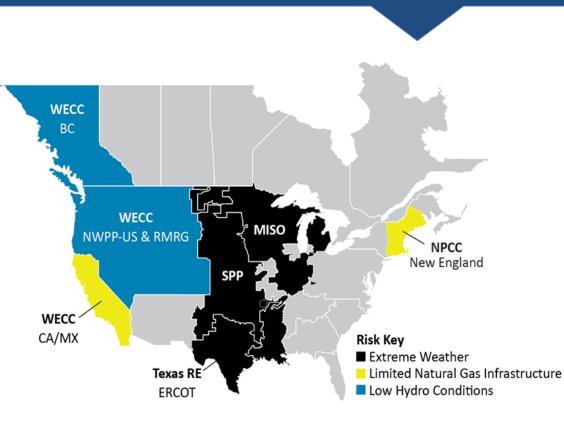
John Moura, Director, Reliability Assessment and Performance Analysis Reliability Issues Steering Committe Meeting November 12, 2021



WRA Key Findings



- Energy emergencies in ERCOT, SPP, and MISO likely under extreme weather conditions
- Natural gas generators face added risk from fuel supply issues in infrastructure-limited areas
- Electricity transfers in the Western Interconnection limited due to low hydro conditions



Winter Reliability Risk Map



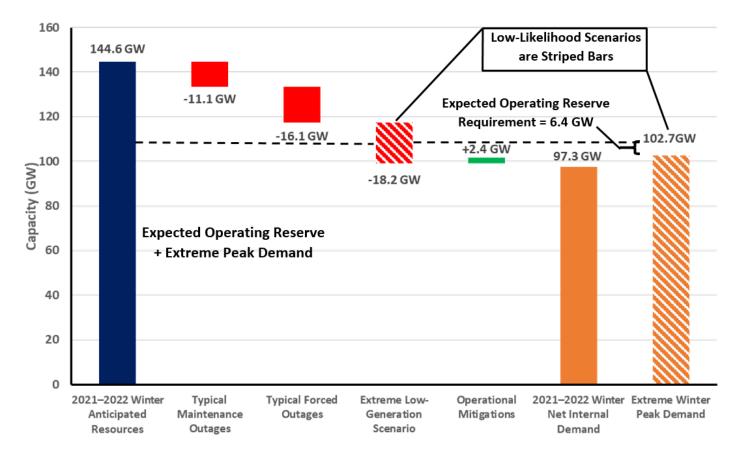
- Key takeaway: Grid operators should prepare their operating plans to manage supply shortfall in extreme winter weather
- All RCs have operating plans to address real-time conditions
 - Plans consider cancellation of outages, generator starting, operating forecasts, and ramping requirements to address the operating conditions



- Mixed responses from TOPs and BAs
 - 40% of TOPs and 60% of BAs did not analyze import capabilities during extreme weather situations
- GO responses indicate potential for unavailable generation
 - Nearly half of fossil-fired entities are not communicating with their fuel providers to mitigate fuel risks from extreme cold weather
 - Nearly half of entities with wind units are not implementing cold weather mitigation strategies



 Operational risk scenarios analyze the effects of extreme conditions on meeting operating reserve targets

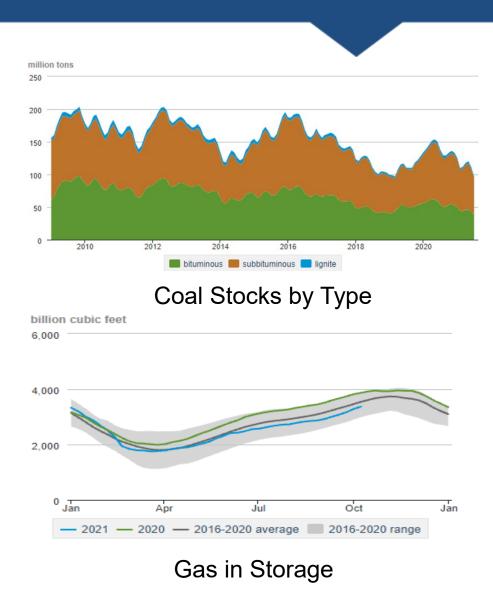


MISO Risk Scenario



Fuel Availability

- Coal stockpiles have declined rapidly in the last few months
- Natural gas in storage is below average levels for upcoming winter
- Sufficient oil back-up inventories improve resilience
- Generator owners should give special attention to supply chains
- No specific impacts identified



Source: EIA



Date	Milestone
Week of	Report sent to Reliability & Security Technical Committee for
October 14	review
Week of	Report sent to NERC Executive Management for approval
November	
10	
November	Final Report sent to NERC Board of Trustees
12	
Week of	Target report release
November	
15	



Questions and Answers

Agenda Item 2a Reliability Issues Steering Committee Meeting November 12, 2021

Prioritization of Reliability, Resilience, and Security Risks

Action

Update

Summary

The North American bulk power system is undergoing a transformation that is unprecedented in both scale and velocity. This transformation, coupled with evolving security threats and emerging reliability and resilience risks, presents significant challenges for industry professionals that are both complex and numerous. The ERO Enterprise mission is to identify, prioritize, and assure effective and efficient mitigation of risks to the reliability resilience, and security of the North American bulk power system. The word **prioritize** here is key to a successful strategy in mitigating risk, and is of utmost importance in using resources effectively and efficiently, particularly given the current environment. Prioritization of risk is critical to an integrated risk management framework that enables the ERO to appropriately identify, prioritize, and mitigate risk, ensuring a reliable, resilient, and secure bulk power system into the future.

At its meeting on February 4, 2021, the NERC Board of Trustees accepted the <u>ERO Enterprise</u> <u>Framework to Address Known and Emerging Reliability and Security Risks (risk framework)</u>. This framework was developed with input from industry members that serve on the NERC Reliability Issues Steering Committee (RISC) and Reliability and Security Technical Committee (RSTC). Industry stakeholders provided comment on the risk framework as part of the Policy Input letter for the NERC Board in October 2020. The purpose of the risk framework is to have a consistent ERO-wide approach to identifying, prioritizing, and addressing known and emerging reliability and security risks, utilizing the following six steps.

- 1. Risk identification and validation;
- 2. Risk prioritization;
- 3. Remediation mitigation identification and evaluation;
- 4. Mitigation deployment;
- 5. Measurement of success; and
- 6. Monitoring residual risk.

MRC policy input for the November 4, 2021 Board meeting showed continued support for the risk framework.

MRO has taken the lead and developed this prioritization framework (step 2), and the ERO Enterprise is seeking RISC volunteers to assist with the formal process development, documentation, and socialization of this process.

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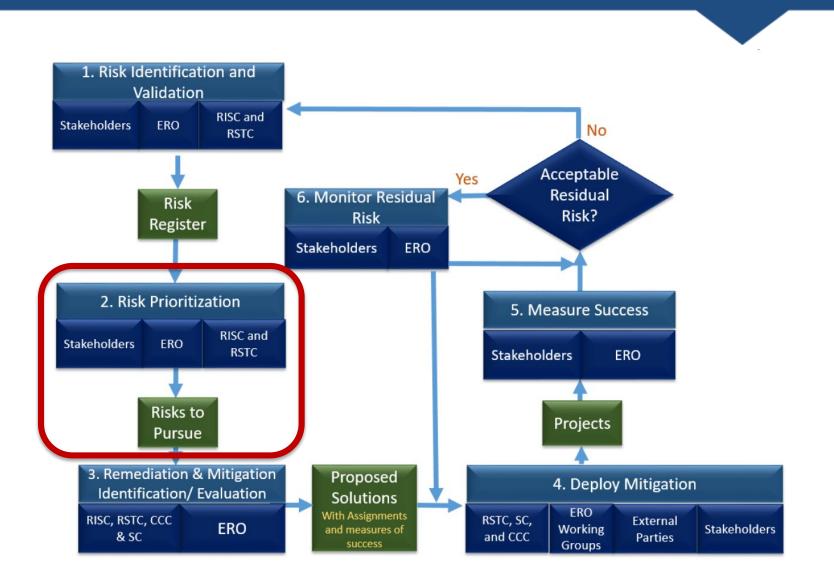
Prioritization of Reliability, Resilience, and Security Risks

Mark Lauby, NERC Senior VP and Chief Engineer Richard Burt, MRO Senior VP and COO Reliability Issues Steering Committee Meeting November 12, 2021





ERO Risk Framework







MRO

RAC develops MRO Reliability Risk Matrix

- SAC augments for security
- CMEPAC augments for compliance
- MRO shares matrix with NERC and other regions for feedback
- MRO staff pilots use in Regional Risk Assessment (RRA)

NERC / ERO

ERO Reliability Risk Framework is finalized



MRO Risk Matrix

Reliability Risk Matrix							
		Likelihood (L)					
Consequence/	Impact (C)	L1 L2 L3 L4 L5			L5		
			Unlikely	Possible	Likely	Almost Certain	
C5	Severe	Medium	High	High	Extreme	Extreme	
C4	Major	Medium	Medium	High	High	Extreme	
C3	Moderate	Low	Medium	High	High	High	
C2	Minor	Low	Low	Medium	Medium	High	
C1	Negligible	Low	Low	Low	Medium	Medium	

Consequence/Impac	t -How could a typical event due to this risk effect BP\$ Reliability?
Severe (C5)	Impacts may have widespread effects to the BPS across North America.
Major (C4)	Impacts may have widespread effects to the RC area.
Moderate (C3)	Impacts may have widespread effects to portions of the RC area.
Minor (C2)	Impacts may have effects on the local entity.
Negligible (C1)	Impacts may have small or non-existent effects to the BPS.
Likelihood – What is	the reasonable probability that consequences will occur?
Almost Certain (L5)	Mandatory Controls – No NERC reliability standards in place for mitigation. Emerging Trends – Increasing trends have been identified. Event History – Documented events or widely publicized exploits have been recorded.
Likely (L4)	Mandatory Controls – No NERC reliability standards in place for mitigation. Emerging Trends – Some trends have been identified. Event History – Documented events or generally publicized exploits have been recorded.
Possible (L3)	Mandatory Controls – NERC reliability standards in place for limited mitigation. Emerging Trends – Some trends have been identified. Event History – No documented events, or moderately publicized exploits have been recorded.
Unlikely (L2)	Mandatory Controls – NERC reliability standards are in place for mitigation. Emerging Trends – Some trends have been identified. Event History – No documented events, or minimally publicized exploits have been recorded.
Very Unlikely (L1)	Mandatory Controls – NERC reliability standards are in place for mitigation. Emerging Trends – No known trends identified. Event History – No documented events or publicized exploits have been recorded.



	MRO Reliability Risk Matrix – Operations and Planning Risks + Physical and Cyber Security Risks								
	sequence/ bact (C) to		Like	Likelihood of Occurring (L)					
	he BPS	L1 L2 L3 L4 L5							
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain			
C5	Severe								
C4	Major		3	68					
C3	Moderate	2 10 3, 4, 9 6, 4, 7 11							
C2	Minor			1 1, 2, 9	5, 7, 8, 10				
C1	Negligible				5				

	Physical and Cyber Security Risks		Operations and Planning Risks
1	Adequate Security Staffing & Funding	1	Overhead Transmission Line Ratings During Cold Weather
2	CIP Standard Compliance Fatigue	2	Voltage Stability and Reactive Management of the BPS
3	Combined Cyber and Physical Attack	3	Reactive Capability of Inverter Based Resources
4	Communication Network (Backhaul)	4	BPS Modelling Accuracy
5	Drones / Unmanned Aerial Systems (UAS)	5	Sunset of Telecommunication Circuits
6	Insider Threat	6	Uncertainty of Planning Reserve Margins
7	Sabotage	7	Vegetation Management of 100-200 kV Circuits
8	Supply Chain	8	Cold Weather Operation of SF6 Gas Insulated Circuit Breakers
9	Unsupported/Legacy Devices	9	Wind Plant Modelling and Ride-Through Capability During Faults
10	Vulnerability Management	10	Misoperations Involving Directional Comparison Blocking Schemes
		11	Misoperations Due to Errors Occurring During Commissioning





MRO

RRA pilot is successful

- Results shared with ERO Enterprise
- Both security and reliability risks on a single heat map

NERC / ERO

 ERO Framework approved by NERC Board, NERC RISC, and NERC RSTC



- Updated Risk Matrix
- Industry Pilot

Operations and Planning Reliability Risk Rankings							
		Likelihood (L)					
Conse	equence/Impact (C)	L1	L2	L3	L4	L5	
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain	
C5	Severe						
C4	Major			9	2 10		
C3	Moderate		34	1			
C2	Minor			8	567		
C1	Negligible						

	Operations and Planning Risks		
1	BPS Modelling Accuracy *		
2	Uncertainty of Winter Planning Reserve Margins *		
3	Reactive Capability of IBRs and Reactive Resource Adequacy *		
4	Inverter Based Resource Modelling and Ride Through Capabilities *		
5	Misoperations Due to Errors Occurring During Commissioning *		
6	Vegetation Management of 100-200 kV Circuits *		
7	Cold Weather Operation of SF6 Gas Insulated Circuit Breakers *		
8	Overhead Transmission Line Ratings During Cold Weather *		
9	Lack of Energy Assurance Assessments - New		
10	Generation Availability During Severe Cold Weather - New		



2022 MRO RRA Reliability Risks

- Updated Risk Matrix
- Industry Pilot

Physical and Cyber Security Risk Rankings							
Consequence/Impact (C)		Likelihood (L)					
		L1	L2	L3	L4	L5	
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain	
C5	Severe						
C4	Major				7		
C3	Moderate			4 5			
C2	Minor		16	238911			
C1	Negligible			10			

	Physical and Cyber Security Risks		
1	Accessing and Applying Threat Intelligence *		
2	Adequate Security Staffing and Funding *		
3	Focus on CIP Compliance *		
4	Insider Threat *		
5	Malware/Ransomware *		
6	Security Awareness and Training *		
7	Supply Chain Compromise *		
8	Unsupported/Legacy Devices *		
9	Asset Inventory and Management - New		
10	Network Visibility and Monitoring - New		
11	Perimeter Security and Controls - New		







- Share Risk Matrix with NERC RISC and RSTC for consideration as ERO Risk Prioritization Tool
- Volunteers from RISC to help write the Process Document
- ERO Pilot (RISC, other Regional Risk Assessments)
- Address Remaining Framework Steps



Questions and Answers

Agenda Item 2b Reliability Issues Steering Committee Meeting November 12, 2021

Risk Registry

Action

Update

Summary

In an effort to continually monitor the existing risks to the bulk power system (BPS) and manage the efforts of the ERO Enterprise to actively identify and address current and new risks, NERC created a Risk Registry. This registry overlaps some with the risk profiles identified in the latest ERO Reliability Risk Priorities Report (RISC Report) and other risks identified in past reports and assessments. In addition to reporting on future emerging risks, the Risk Registry also focuses on reporting on activities addressing current emergent risks to the BPS. The draft of the Risk Registry identifies a few of the risks or "tasks" to address current risks to the BPS. The most critical and high priority tasks address energy adequacy, extreme natural events, security threats, and inverter performance. The security threats and extreme natural events mirror the risk profiles of the RISC report. Energy adequacy and inverters are a different categorization focused on grid transformation. Future versions of the Risk Registry will be used as project/resource management tool and will include a consistent risk prioritization method that will be periodically reviewed with the RISC.

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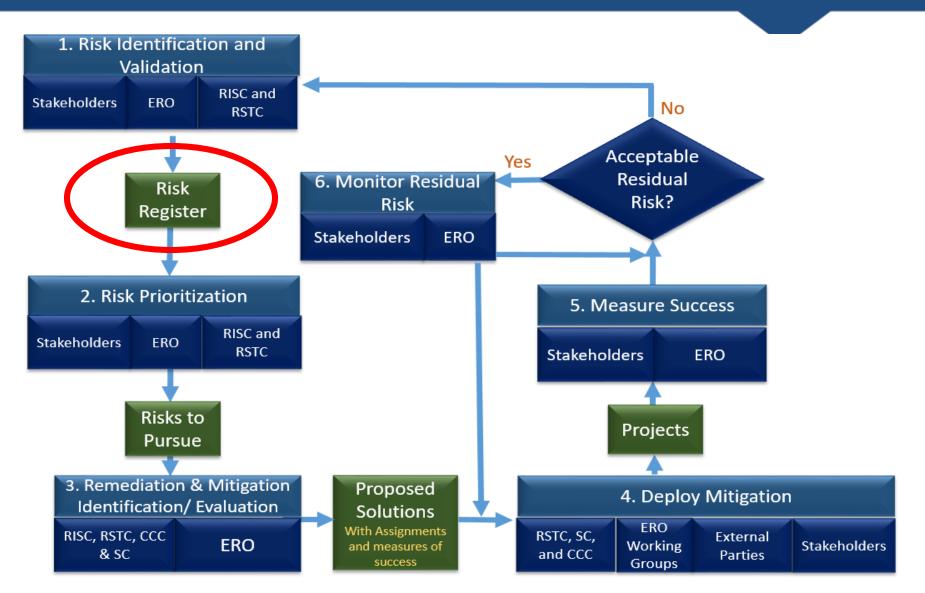
Risk Registry

Soo Jin Kim, Director of PRISM Reliability Issues Steering Committee Meeting November 12, 2021





Reliability Risk Framework





Time Horizons



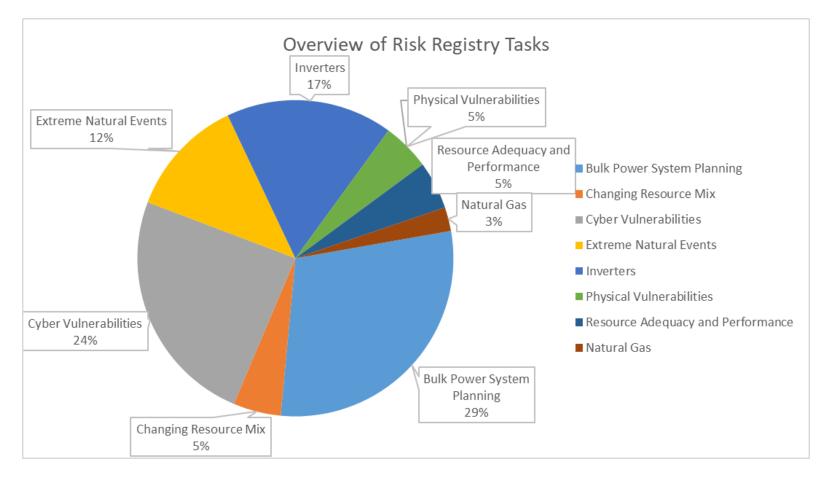
Risk Registry (Current Day)

Assessments and RISC report (forward looking)



Overview of Risk Registry







- Energy Adequacy
- Security Risks (Cyber and Physical)
- Extreme Natural Events (including Cold Weather)
- Inverters

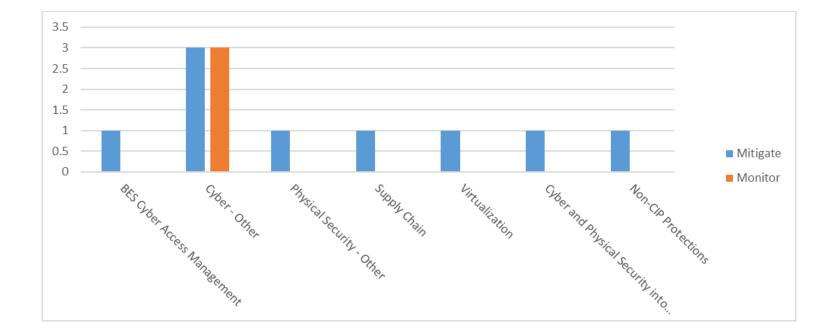


Energy Adequacy

- Probabilistic Analysis Forum
- Energy Reliability Assessment Task Force (ERATF)
- Gas-Electric Planning Basis (N-1)

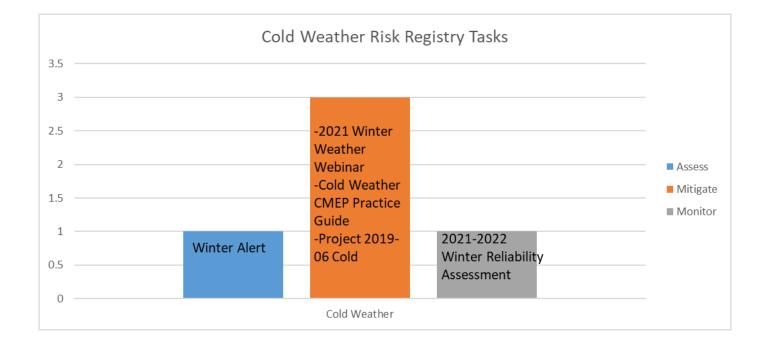






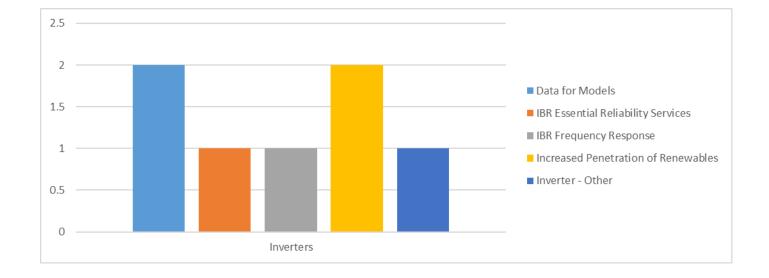


Extreme Natural Events/Cold Weather Preparedness



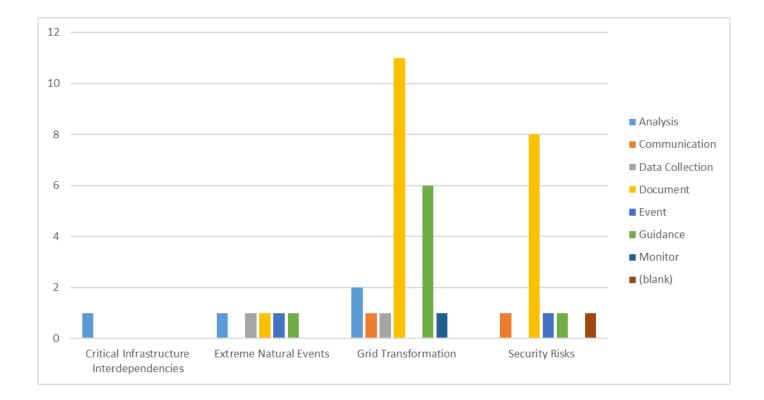


Inverters



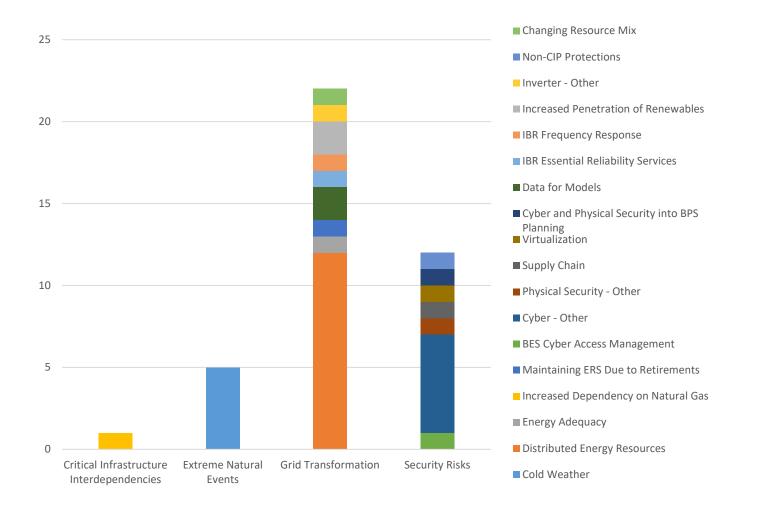


Risk by Risk Profiles



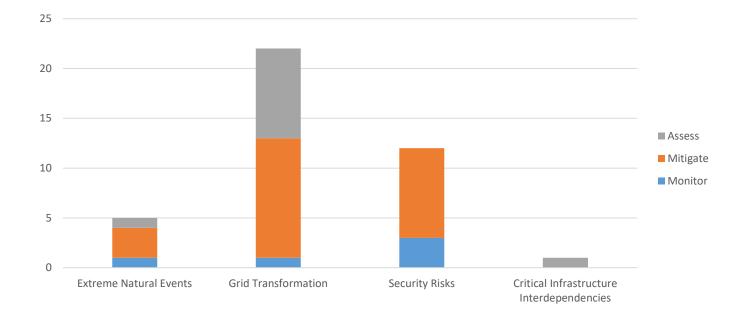


Risk by Risk Profiles





Risk by Risk Profiles





Questions and Answers

Agenda Item 2c Reliability Issues Steering Committee Meeting November 12, 2021

Reliability and Security Technical Committee Tiger Team

Action

Update

Summary

NERC staff will provide an overview of the recently formed Reliability and Security Technical Committee (RSTC) Tiger Team, which was formed to:

- Identify current RSTC subgroup work plan items that address risks identified in the 2021 ERO Reliability Risk Priorities Report;
- Develop draft risk mitigation activities and assignments for RSTC subgroups; and
- Develop proposed subgroup work plan items, if appropriate, for full RSTC review and input in December 2021.

The RSTC Tiger Team will be assigned specific groups to coordinate with on these activities.

Agenda Item 4 Reliability Issues Steering Committee Meeting November 12, 2021

Membership Nomination Cycle

Action

Update

Summary

The RISC is an advisory committee that reports directly to the NERC Board of Trustees (Board) and triages and provides front-end, high-level leadership and accountability for issues of strategic importance to bulk power system (BPS) reliability and security. The RISC assists the Board, NERC technical committees, NERC staff, regulators, Regional Entities, and industry stakeholders in establishing a common understanding of the scope, priority, and goals for the development of solutions to these issues. In doing so, the RISC provides a framework for developing recommendations to help NERC and the industry effectively focus their resources on the critical issues needed to improve the reliability and security of the BPS. The <u>2021 ERO Reliability Risk Priorities Report</u> was approved by the Board on August 12, 2021 and is posted on the RISC web page.

As described in the <u>RISC charter</u>, nominees for RISC should meet the following general qualifications:

- Executive-level position within the electric utility industry;
- High-level understanding and strategic perspectives on reliability risks; and
- Commitment to regular participation on the RISC in a collaborative and consensus-building manner.

The RISC holds a combination of in-person meetings and conference calls, at least once per quarter.

When determining a final slate of recommended members, the RISC Nominating Committee will evaluate nominees based on experience and qualifications, as well as diversity within the context of the entire membership of the RISC based on the following considerations:

- Geographic and international diversity, such that Eastern, Western, and Texas Interconnections, along with Canada are represented on the RISC;
- Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity; and
- Diversity in professional background and experience.

Timeline

- Nomination Cycle: November 17-December 15, 2021
- Early January 2022 RISC Nominating Committee will meet to evaluate nominations and select proposed slate
- February 2022 Proposed Membership slate submitted to the Board of Trustees for consideration and approval