

## NERC News

### October 2009

#### Headlines

##### **NERC, FERC, FPL Reach Agreement on Reliability Enhancements**

The North American Electric Reliability Corporation (NERC), the Federal Energy Regulatory Commission (FERC), and Florida Power & Light Company (FPL) have reached a key agreement.

[To read more click here >>](#)

##### **High Impact Low Frequency Event Workshop**

NERC will be hosting a workshop in November bringing together industry and security risk experts.

[To read more click here >>](#)

##### **Executing on the Three-Year Performance Assessment**

In a letter to stakeholders, NERC CEO Rick Sergel outlines next steps for executing on the organization's three-year performance assessment.

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#### Filings

##### **NERC Filings/FERC Orders**

Documents filed with FERC and Canadian authorities over the last month.

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#### Assessments & Trends

##### **Smart Grid Task Force Formed**

NERC's Planning, Operating, and Critical Infrastructure Protection Committees have formed a new task force to consider reliability impacts of "smart grid" implementation.

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##### **Bulk Power System Reliability Performance Metrics**

On September 1st, NERC's Planning Committee and Operating Committee approved Reliability Performance Metrics developed by the Reliability Metrics Working Group.

[To read more click here >>](#)

#### Standards

##### **Standards Under Development: FAC-003 Vegetation Management**

The Standard Drafting Team is seeking industry comments on a proposed revision of FAC-003-1 through October 24.

[To read more click here >>](#)

##### **Reliability Standards Development Plan**

Current draft includes work on 36 continent-wide standard development projects.

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#### Compliance

##### **NERC Posts Second Quarter 2009 Vegetation-Related Transmission Outage Report**

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##### **August 2009 Compliance Violation Statistics**

Compliance Backlog continues to decline.

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##### **NERC Alerts System Launch Progresses**

An update on launch progress and deadlines.

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The six-part series continues.

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#### Training & Education

##### **Transcripts Now Available on System Operator Certification Database**

New functionalities have been added to the System Operator Certification and Continuing Education Database.

[To read more click here >>](#)

#### Feature Article

##### **October is National Cyber Security Awareness Month**

Raise awareness in your workplace!

[To read more click here >>](#)

## HEADLINE NEWS

**NERC, FERC, FPL Reach Agreement on Reliability Enhancements***October 8, 2009*

NERC, the Federal Energy Regulatory Commission (FERC), and Florida Power & Light Company (FPL) have reached a key agreement that will result in important reliability enhancements in Florida. The agreement closes a joint NERC-FERC investigation of the February 26, 2008 outage that resulted in the loss of 22 transmission lines and 4,300 MW of generation and caused nearly one million homes and businesses in the state to lose power.

The agreement includes enhancements to FPL's reliability compliance program, equipment maintenance program, and emergency operating procedures.

The agreement also includes a \$25 million civil penalty, \$10 million of which will be paid to the United States Treasury, \$10 million to NERC, and \$5 million to be reserved for further reliability enhancements proposed by FPL and approved by FERC and NERC.

Funds received by NERC will be used to offset its operating expenses, which are otherwise collected through allocations to load-serving entities in the U.S. and Canada.

“Our priority in each of our enforcement actions is to ensure the reliability of the bulk power system in North America,” commented Rick Sergel, president and CEO of NERC. “We believe this agreement is in the best interests of reliability and that the actions taken as a result will reduce the risk of future outages in Florida.”

The agreement can be found at:

[http://www.nerc.com/files/Order\\_FPL\\_Settlement\\_1008\\_2009.pdf](http://www.nerc.com/files/Order_FPL_Settlement_1008_2009.pdf)

The press release is available at:

[http://www.nerc.com/news\\_pr.php?npr=428](http://www.nerc.com/news_pr.php?npr=428) ■■■

**High Impact Low Frequency Event Workshop***October 5, 2009*

NERC will be hosting a workshop in November to bring together industry and security risk experts to discuss reliability risk associated with high impact, low frequency events such as an electromagnetic pulse event, large scale cyber attack, or pandemic.

A steering committee, consisting of 12 industry and risk experts, has been meeting since early September to help plan the workshop. The steering committee is chaired by Scott Moore, Vice President of Transmission for American Electric Power and Robert Stephan, former Assistant Secretary for Infrastructure Protection in the National Protection and Programs Directorate of the U.S. Department of Homeland Security.

The goal of this workshop will be to assess the effects of specific HILF events and consider potential preventative and planning measures to minimize their impacts on bulk power system reliability. Specific consideration will be given to the mitigation measures suggested by the Commission to Assess the Threat to the United States from EMP Attack. Recommendations and conclusions resulting from this workshop will be used to set direction for future activities.

This will be an invitation-only session. Invitations are being coordinated with NERC Committee leadership.

**Executing on the Three-Year Performance Assessment***September 18, 2009*

On September 18, 2009, Rick Sergel, President and CEO sent a letter to NERC Stakeholders discussing NERC's planned execution of the tasks and objectives contained in the organization's Three-Year Performance Assessment. The Assessment raises the bar for NERC in many areas, containing actions, goals, and commitments designed to address concerns raised by stakeholders during the development of the assessment. Efforts to execute these tasks will involve each of NERC's program areas, support staff, committees and, ultimately, the board of trustees. Managing these projects through to successful completion will require strong leadership and considerable stakeholder input.

HEADLINE NEWS *(continued)*

Dave Nevius, senior vice president at NERC, has been appointed to lead this project. Over the next several weeks, Dave will be seeking input from NERC management, Regional Entities, and industry stakeholders on the priorities and timelines for the actions identified in the Three-Year Assessment. He will also be putting together a project plan for implementing these actions that will likely span several years.

View the letter at:

<http://www.nerc.com/fileUploads/File/News/Executive-Letter-091709-3-Year-Assessment.pdf> ■■■

## STANDARDS NEWS

**Standards Under Development: FAC-003  
Vegetation Management**

The Vegetation Management Standard Drafting Team is currently seeking industry comments on a proposed revision of FAC-003-1. The comment period closes on October 24, 2009.

The standard is being revised in accordance with the scope as contained in the Standard Authorization Request (SAR), which includes addressing FERC directives in Order 693. The drafting team has developed a technical reference document (white paper) to clarify the intent and purpose of each requirement found in FAC-003-2. The initial proposed revision of FAC-003-1 was posted for a public comment period in October 2008.

After careful consideration of FERC Order 693 and comments from the stakeholders, the drafting team made revisions to the proposed standard to make it stronger, clearer, and more practical for field implementation. These revisions are articulated in the updated mapping document. The drafting team has also posted its response to the comments submitted in response to the last draft of this standard, updated its technical reference document to align with the changes made to the proposed standard, and added an implementation plan.

Details about the original scope and recent changes are available in the comment form and on the project page at:

<http://www.nerc.com/filez/standards/Vegetation-Management-Project-2007-7.html> ■■■

**NERC Reliability Standards Development Plan  
Update**

The NERC Reliability Standards Development Plan is a three-year plan used by NERC staff to identify and prioritize the reliability standard development projects in the immediate three-year horizon. The overall objective of the projects identified in the plan is to improve the reliability of the bulk power system through improved standards. The standard drafting team assigned to each project is responsible for performing a top-to-bottom review and improvement of the standards associated with the project, including, but not limited to:

- Revising the reliability objective, title, and purpose statement of the standards to be concise and clear
- Revising the applicability section of the standards to add specifications for entities, facilities, and responsibilities and to integrate functional model changes
- Improving the wording of requirements and measures in the standards
- Refining the compliance elements of the standards

The draft 2010-2012 Reliability Standards Development Plan identifies 36 continent-wide standard development projects, down from 39 projects proposed in last year's plan.

One of the more significant modifications being proposed in the draft plan is the inclusion of Project 2010-06 Performance-based Reliability Standards. Project 2010-06 is a direct response to stakeholder recommendations received during NERC's drafting of the Three-Year Performance Assessment. Suggestions included: reduce the number of existing reliability standards to just those that have a critical impact on reliability of the bulk power system and convert the remaining reliability standards to guidelines; and develop a more systematic process for prioritizing new reliability standards development projects based on risks to the bulk power system.

NERC has collected industry comments over two comment periods and final revisions are now being made to the plan. The plan will then be presented to the NERC Standards Committee for approval in October and to the NERC Board of Trustees for approval on

STANDARDS NEWS *(continued)*

COMPLIANCE NEWS

November 4, 2009. Once all approvals are received, the plan will be filed with all applicable regulatory authorities by year end.

If you have any questions pertaining to the Reliability Standards Development Plan please contact David Taylor at [david.taylor@nerc.net](mailto:david.taylor@nerc.net). ■■■

### Standards Drafting Team Vacancies

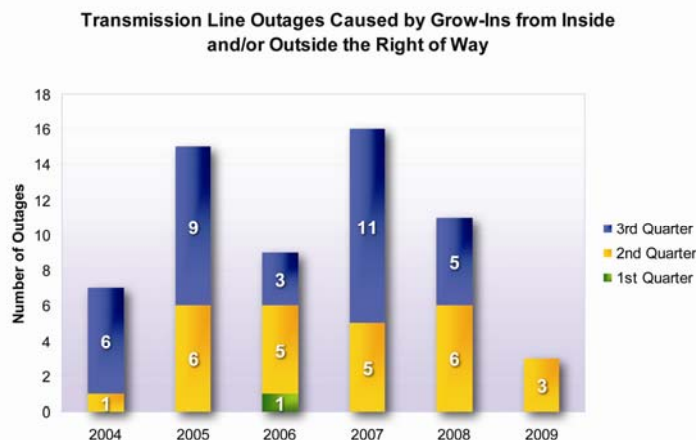
NERC currently has a number of standards drafting teams seeking expertise. Any industry stakeholder meeting the indicated qualifications for the vacant appointments may submit a [self-nomination form](#) to [sarcomm@nerc.com](mailto:sarcomm@nerc.com). Please contact Lauren Koller at [lauren.koller@nerc.net](mailto:lauren.koller@nerc.net) or with questions regarding the drafting team vacancies.

For a list of vacancies please visit the following site: [http://www.nerc.com/filez/standards/drafting\\_team\\_vacancies.html](http://www.nerc.com/filez/standards/drafting_team_vacancies.html)



### NERC Posts Second Quarter 2009 Vegetation-Related Transmission Outage Report

North America is on track to have fewer “grow in” vegetation-related transmission outages than in any year since we began tracking the metric in 2004. So far this year, only three such outages have occurred.



View the full report at: [http://www.nerc.com/files/2Q2009\\_Vegetation\\_Report-FINAL.pdf](http://www.nerc.com/files/2Q2009_Vegetation_Report-FINAL.pdf) ■■■

### Violation Statistics Show Progress, Over 500 Violations Filed in October

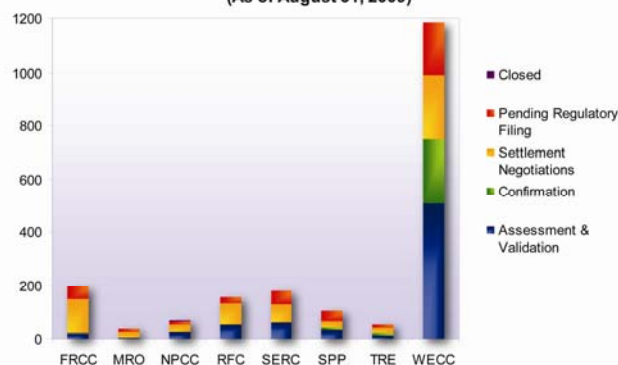
Regional violation statistics continue to show progress in reducing the backlog. A significant number of violations filed in October will continue to reduce these numbers.

View the August report at: [http://www.nerc.com/files/2009\\_August\\_Statistics.pdf](http://www.nerc.com/files/2009_August_Statistics.pdf)

View enforcement actions at: <http://www.nerc.com/filez/enforcement/index.html>



Pending Violations Summary by Process Steps  
FERC Enforceable Alleged Violations Summarized by Status  
(As of August 31, 2009)



TRAINING

### Using SOCCED Operator Transcript Reports

Recent functionalities added to the System Operator Certification and Continuing Education Database (SOCCED) allow utility trainers to retrieve a complete transcript report for operators who have given them permission to view their information. The transcript includes a list of continuing education courses that a system operator has completed and been awarded CE Hours in the current three year period of a system operator’s credential.

Only those operators who have submitted an authorization request via the SOCCED to NERC will appear in the trainer’s list. No personal data in the operator’s account is seen by the authorized trainer.

This report feature is available only within utilities that are continuing education providers or those that have been issued a NERC provider ID. Training vendors do not have this feature available.

For more information about using the SOCCED Operator Transcript report feature contact John Theotonio at [John.Theotonio@nerc.net](mailto:John.Theotonio@nerc.net) or by calling 609-524-7018. ■■■

## CRITICAL INFRASTRUCTURE PROTECTION

## ASSESSMENTS &amp; TRENDS

**NERC Alerts System Launch**

NERC began the pre-commissioning testing and user validation phase of its new alerts system launch with two introductory webinars on September 22<sup>nd</sup> and 29<sup>th</sup>. Primary Compliance Contacts were granted access to the system on the 29<sup>th</sup> to update contact information and information for their entities.

Beginning next week, the system will enter a testing and maintenance phase and will be unavailable to users from Monday, October 19<sup>th</sup> through Friday, October 30<sup>th</sup>.

The system test previously scheduled for October 20<sup>th</sup> has been postponed to November 17<sup>th</sup> and the follow up webinar scheduled for October 27<sup>th</sup> will now occur on Tuesday, December 1<sup>st</sup>.

NERC's priority throughout the launch of this tool is appropriate user functionality and security. The schedule for launch has been altered several times to address comments and concerns from system users. ■ ■ ■

**CIP Compliance Webinars**

The CIP Compliance webinar series hosted by Energy Central in coordination with NERC is continually improving. Each session features expanded content and expert guest speakers from industry. The upcoming schedule is:

9/23/09	Identifying Critical Assets
10/6/09	Program Governance Issues
10/21/09	Change Management Systems
11/11/09	Personnel Issues & Training
12/2/09	Physical & Electronic Access Controls
12/16/09	Testing Procedures & Recovery Plans

If you have missed a live session, all sessions are recorded and made available on demand off of Energy Central's website.

Register for the next session today at: <http://www.energycentral.com/events/20798/Change-Management-Systems-for-CIP-Compliance> ■ ■ ■

**Bulk Power System Reliability Performance Metrics**

On September 1st, NERC's Planning and Operating Committees approved Reliability Performance Metrics developed by the Reliability Metrics Working Group. The intent of this program is to fulfill the obligations of the ERO relative to benchmarking by providing a slate of industry-vetted metrics which can yield an overall assessment of North American Bulk Power System reliability. This was completed within the context of the Adequate Level of Reliability (ALR) framework, as set out in a December 2007 report: *Definition of "Adequate Level of Reliability"*. The ALR framework corresponds to six characteristics of reliability for the bulk power system: Boundary, Contingency, Integrity, Protection, Restoration, and Adequacy. Approved metrics include Transmission Related Events, Disturbance Control Standard Failures, and Operating Limit Excursions. For more details and the full list of approved metrics please visit [http://www.nerc.com/filez/Approved\\_Metrics.html](http://www.nerc.com/filez/Approved_Metrics.html).

The Reliability Metrics Working Group will continue to develop Reliability Performance based on ALR characteristics. For the most up-to-date information on the working group's activities, please visit <http://www.nerc.com/filez/rmwg.html>. ■ ■ ■

**Smart Grid Task Force Formed**

NERC's Planning, Operating, and Critical Infrastructure Committees recently commissioned a "Smart Grid Task Force." The task force will provide a high-level review of the reliability impacts of integrating smart grid technology on the bulk power system. It will consider system planning, design, and operations with respect to the bulk power system. The Task Force will prepare a report that reviews Smart Grid characteristics, identifies reliability concerns including cyber-security vulnerability, and provides recommendations to NERC and the industry. The report will:

1. Identify and explain any issues and/or concerns of the Smart Grid with respect to bulk power system reliability, including a definition of Smart Grid in the context of bulk power system reliability.
2. Assess Smart Grid reliability characteristics, including those expected to be significant in the near-term and their potential impacts on bulk power system reliability.

In particular, identify aspects that could become material to the reliability of the bulk power system,

3. Determine the cyber-security and critical infrastructure protection implications of Smart Grid technologies and the potential impacts on bulk power system reliability,

4. Identify how the integration of Smart Grid technologies affects bulk power system planning, design and operational processes and the tools that may be needed to maintain bulk power system reliability,

5. Determine which existing NERC Reliability Standards may apply to bulk power system Smart Grid elements, and provide recommendations for areas where technical foundations for standards development work may be needed, and,

6. Present conclusions, recommendations, and a work plan for completing any recommended actions.

View the Group's Scope:

[http://www.nerc.com/docs/pc/sgtf/SGTF\\_Scope\\_07-29-09final.pdf](http://www.nerc.com/docs/pc/sgtf/SGTF_Scope_07-29-09final.pdf) ■■■

“Cyber attacks and their viral ability to infect networks, devices, and software must be the concern of all Americans. This month, we highlight the responsibility of individuals, businesses, and governments to work together to improve their own cybersecurity and that of our Nation.”

To learn more about safe computing practices that can help prevent cyber attacks, visit [www.onguardonline.gov](http://www.onguardonline.gov) and [www.dhs.gov/cyber](http://www.dhs.gov/cyber).

Cyber security continues to be a key focus for NERC and its stakeholders. Activities underway include standards development work, the launch of the alerts system, and numerous cyber related assessments and outreach initiatives.

Follow the progress of the cyber standards drafting team at: [http://www.nerc.com/filez/standards/Project2009-21\\_Cyber\\_Security\\_90-day\\_Response.html](http://www.nerc.com/filez/standards/Project2009-21_Cyber_Security_90-day_Response.html)

NERC will be dedicating our December Newsletter Issue to the subject of Cyber Security.



## FILINGS

## FEATURE ARTICLE

### National Cybersecurity Awareness Month

In light of growing threats to national security, the Obama administration has declared October National Cybersecurity Awareness Month.

“Americans are constantly adopting new and innovative technologies,” commented President Obama. “This exposure has dramatically increased our thirst for computers, smartphones, and other digital solutions at work and at home. Our Nation's growing dependence on cyber and information-related technologies, coupled with an increasing threat of malicious cyber attacks and loss of privacy, has given rise to the need for greater security of our digital networks and infrastructures. In the Information Age, the very technologies that empower us to create and build also empower those who would disrupt and destroy. During National Cybersecurity Awareness Month, we rededicate ourselves to promoting cybersecurity initiatives that ensure the confidentiality of sensitive information, the integrity of e-commerce, and the resilience of digital infrastructures.”

### NERC Filings to FERC

*(click on the filing to view)*

*September 14, 2009*

[Motion for an Extension of Time](#) on Violation Severity Levels *Docket Nos. RR08-4-000, RR08-4-001, RR08-4-002*

*September 14, 2009*

[Supplemental Filing of Attachment 15 for Acceptance of the 2010 Business Plan and Budget](#) *Docket Nos. RR09-9-000, RR07-14-004 and RR08-6-004*

*September 15, 2009*

[Compliance Filing and Petition for Approval of an Implementation Plan for CIP Reliability Standards](#) *Docket No. RM06-22-000.*

*September 18, 2009*

[Notice of Corrections to 2010 Business Plan and Budget Filing](#) *Docket Nos. RR09-9-000, RR07-14-004 and RR08-6-004*

FILINGS *(continued)*

**NERC Filings to FERC** *(continued)*

*(click on the filing to view)*

September 18, 2009

[NERC Answer to Comments on Three-Year ERO Performance Assessment Report](#) Docket No. RR09-7-000

September 21, 2009

[Compliance Filing and Assessment of the BES Definition Report of NERC and NPCC](#) Docket No. RC09-3-000

September 23, 2009

[Informational Filing on the Status of Field Trial to Modify Certain Resource and Demand Balancing Reliability Standards](#) Docket No. RM09-\_\_-000

September 30, 2009

[Motion for an Extension of Time](#) to file comments on the TIER report Docket No. RM06-16-000

September 30, 2009

[Petition for Approval of Proposed Reliability Standards Regarding System Personnel Training](#) Docket No. RM09-\_-000

**NERC Filings to Canadian Authorities**

*(click on the filing to view)*

September 10, 2009

*(AB, BC, MB, NEB, NB, ON, QU, SK)*  
[Informational Filing Regarding the Assignment of VRFs and VSLs](#)

[Proposed Reliability Standard NUC-001-2 - Nuclear Plant Interface Coordination](#)

[Changes to Three Reliability Standards](#)

**FERC Orders to Note**

*(click on the filing to view)*

September 17, 2009

[Order Accepting Proposed Amendments to SPP Bylaws](#)  
Docket No. RR09-4-000

September 30, 2009

[Order Approving Version 2 of CIP Cyber Security Standards](#). Docket No. RD09-7-000

October 2, 2009

[Letter Order Accepting Changes to the NERC CMEP](#).  
Docket Nos. RR06-1-023

October 2, 2009

[Letter Order Accepting MRO Supplemental Budget](#).  
Docket No. RR08-6-003

October 8, 2009

[Order on 2008 Florida Blackout](#)  
Docket No. IN08-5-000

October 14, 2009

[Order Approving Amendment to NERC Bylaws to Allow Two Additional Trustees](#)  
Docket No. RR09-8-000

October 15, 2009

[Order Addressing Applicability of Section 215 of the FPA to Federal Entities](#)  
Docket No. NP09-26-000

October 15, 2009

[Order on NERC's 2010 Business Plan and Budget](#)  
Docket Nos. RR09-9-000; RR08-6-004; RR07-14-004

CAREERS

**Engineer of Organization Registration,  
Certification, and Compliance Monitoring**

Princeton, NJ

Details:

<http://www.nerc.com/files/EngineerOfOrganizationRegistration.pdf>

**Director of Inter-Governmental Relations**

Washington, DC

Details:

<http://www.nerc.com/files/DirectorGovernmentalRelations.pdf>

**Senior Accountant**

Princeton, NJ

Details:

<http://www.nerc.com/files/Senior%20Accountant.pdf>

**Attorney**

Washington, DC

Details:

<http://www.nerc.com/files/Attorney.pdf>

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