

# Announcement

## Board Approves 2023 Budgets; Receives Updates on Cold Weather and CIP Standards

August 18, 2022

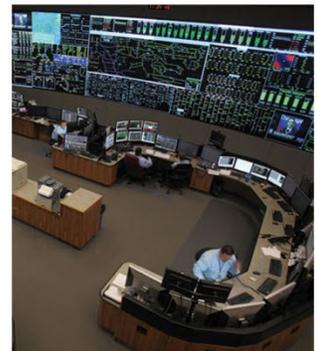
**VANCOUVER B.C.** – NERC’s Board of Trustees concluded its quarterly meeting, featuring the approval of 2023 budgets, the appointment of two new members of the Reliability and Security Technical Committee (RSTC) and a strategic discussion with Canadian utility regulators. It was the first in-person board meeting since February 2020.

Manny Cancel, NERC’s senior vice president and chief executive officer (CEO) of the Electricity Information and Security Analysis Center (E-ISAC), gave opening remarks on behalf of NERC president and CEO Jim Robb, who was unable to attend the meeting in person after testing positive for COVID. Cancel addressed the rapidly evolving reliability ecosystem, discussing the effects of extreme weather, the changing generation resource mix and the challenging security threat landscape while stressing the importance of collaboration and coordination. He expressed NERC’s appreciation for the policy input received from the members and stakeholders who contributed to NERC’s work on the changing risk environment and threat landscape.

Cancel acknowledged the critical nature of NERC’s engagement with industry and government stakeholders in Canada, saying, “The electric grid connects North America across political borders, underscoring the need for effective action on reliability and security issues.” Describing outreach in Ottawa last week by E-ISAC officials, Cancel noted NERC’s strong security partnership with industry and government stakeholders.

Key action by the Board included approval of the 2023 business plans and budgets for NERC and the Regional Entities. The NERC budget makes significant new investments in people and technology needed to address critical risk areas, including energy availability, cyber security vulnerabilities and efficiency enhancement to the standards-setting process. NERC’s budget proposes an increase of 13.7% over 2022, and an increase in 2023 assessments of 11.1% over the prior year.

The 2023 business plans and budgets for the Regional Entities also were approved by NERC’s Board, after undergoing approval by their respective regional boards. The combined budget increase for the ERO Enterprise (NERC and Regional Entities) is 10.1% over 2022, with an assessment increase of 6.5%.



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The 2023 business plan and budgets, which will be submitted to FERC for approval later this month, reflect the outcome of an extensive outreach program with stakeholders, including the Member Representatives Committee (MRC) Business Plan and Budget Input Group, the E-ISAC Member Executive Committee and industry trades and forum representatives. Cancel recognized this valuable contribution and added, “Our business plan and budget is the outcome of a robust resource planning process and will ensure NERC has the ability to address emerging reliability and security risks. We are keenly aware that the three-year business plan and budget is a significant request and are committed executing our programs transparently and efficiently and reporting on the value of these incremental investments.”

Remarks were also provided by Doug Allen, chair of the BC Hydro Board of Directors; Francis Bradley, president and CEO of Electricity Canada; Patricia Hoffman, principal deputy assistant director, Grid Deployment Office, Department of Energy (DOE); and David Morton, chair of CAMPUT.

Morton summarized discussions of the Board’s annual meeting with Canadian provincial regulators and federal government representatives. The meeting featured strategic discussions of critical infrastructure interdependencies, cyber security and cross-border coordination as well as updates on key issues by the Regional Entities covering Canada.

The Board continues to closely follow the progress of the cold weather standards — EOP-011-3 and EOP-012-1. Howard Gugel, NERC’s vice president of Engineering and Standards, updated the Board on progress against the Board-directed timelines related to these standards, which were posted for comment and ballot in May and June. While EOP-011-3 passed its initial ballot, EOP-012-1 did not. The standard drafting team considered the comments and revised EOP-012-1, which is currently out for comment and ballot through September 1, 2022. Gugel also provided an update on the standards development improvements initiative, noting that recommendations will be presented at the November Board meeting. In addition, the Board received an update on CIP-003 and the work being undertaken by the Low-Impact Criteria Review Team, which was assembled in response to a Board resolution to review the risk posed by low-impact Bulk Electric System cyber systems.

Board presentations are located on the Board of Trustees [agenda page](#) on NERC’s website. The next Board meeting is November 16, with more details to come in September.

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*Electricity is a key component of the fabric of modern society and NERC, as the Electric Reliability Organization, serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable and secure North American bulk power system. Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.*