

Announcement

Board Takes Action on Cold Weather Risks, Sets Priorities on Extreme Events, Energy Sufficiency, Cybersecurity

November 4, 2021

ATLANTA – Cold weather risk featured prominently at NERC’s quarterly Board of Trustees meeting, including Board action prioritizing proposed cold weather standards, a preview of the upcoming *Winter Reliability Assessment*, discussion of winter preparations, and emphasis of Standards Committee work. In other key actions, the Board adopted work plan priorities focused on resilience for widespread, long-term extreme temperature events, energy sufficiency, enhanced cyber standards and E-ISAC operations.

Board Chair Ken DeFontes said in opening remarks that the “FERC/NERC Cold Weather Inquiry” will be released soon and that the risks identified must be addressed expeditiously, including the recommendations for the development of standards.

DeFontes noted that the grid is rapidly changing along with weather patterns and we must do whatever is necessary to ready the system for these events – which are no longer rare. He expressed disappointment with recent action by the Standards Committee delaying the cold weather standards authorization request, while stressing that industry takes extreme weather risk seriously and is up to the task.

Jim Robb, president and chief executive officer, concurred with DeFontes’ message during his president’s remarks. “Extreme weather is an acute and well-understood reliability risk, threatening lives and well-being. None of us want that,” Robb said. “Industry stakeholders must act with urgency on concrete risk-informed mitigation measures. I encourage the Standards Committee to move forward on the proposed cold weather standards. And while standards are just one part of the solution, they remain a key tool toward addressing these risks.”

NERC has undertaken numerous activities to help industry prepare for the upcoming winter, including webinars, workshops and a Level II alert. However, Robb noted “we are not moving as fast as needed, particularly if we see another cold weather event.”

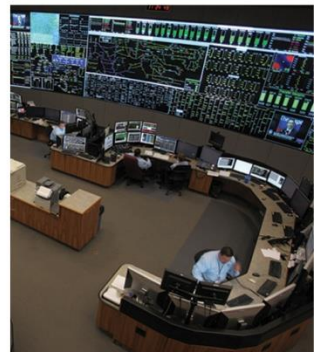
Board Action

The Board and the Member Representatives Committee issued resolutions in tribute to Bill Gallagher, a long-time member of the MRC and utility expert who passed away in October.

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The resolutions lauded Gallagher's more than 14 years of service and contributions to the Electric Reliability Organization and industry.

Opening remarks also were made by Stan Connally, Jr., executive vice president of Operations, Southern Company; Mark Christie, commissioner, Federal Energy Regulatory Commission; Patricia Hoffman, acting assistant secretary, Office of Electricity, Department of Energy; and David Morton, CAMPUT chair and representative to NERC.

The Board took several actions relating to NERC Reliability Standards. Most notably, approving the *2022-2024 Reliability Standards Development Plan*, which prioritizes standards projects for the coming year. However, the Board directed – via a resolution – that the plan should include a new cold weather operations, preparedness, and coordination standards project as a high priority item to address the recommendations of the FERC/NERC Joint Inquiry. In recognition of the urgency to address this pressing reliability issue, the Board directed the project be completed in stages, with the completion of the first stage due to the Board by September 2022, and the second stage due to the Board by September 2023, consistent with the timelines recommended in the joint inquiry.

During his MRC update, Ortiz stressed the importance of acting promptly on the recommendations identified in the inquiry, stating FERC expects industry to act promptly to address them, including new and enhanced Reliability Standards. A sentiment also expressed by Robb in his opening remarks.

The Board also approved proposed revisions to the Standards Committee Charter and asked the Standards Committee to review its charter for opportunities to advance efficiency and to clarify its scope in advance of the Board's February 2022 meeting.

The Board approved the *2022 ERO Enterprise Work Plan Priorities*, which identify key priorities for the coming year that closely align with the focus areas highlighted in the [ERO Enterprise Long-Term Strategy](#). The four risk elements addressed:

- Improve Bulk Electric System resilience for widespread, long-term extreme temperature events.
- Deepen planning and operating focus beyond capacity adequacy toward energy sufficiency.
- Enhance the structure of the CIP Standards, including review and improvement of the bright-line risk criteria.
- Expand the impact of the E-ISAC through information sharing, communications and monitoring of critical security threats.

Attendees received presentations on two assessments under development: The *2021 Winter Reliability Assessment* will look at conditions for the upcoming winter months, to be released mid-November; and the *2021 Long-Term Reliability Assessment*, which will look at resource adequacy for the 2022-2031 assessment period, to be released mid-December. Both assessments point to elevated reliability risk especially under more extreme weather scenarios.

New MRC Officers

The Member Representatives Committee elected new 2022 officers at their meeting earlier in the day. Roy Jones, CEO of Electricities and current MRC vice chair, will serve as MRC chair; and Jennifer Flandermeyer, director, Federal

Regulatory Affairs at Evergy and current representative for Sector 1 (investor-owned utilities), will serve as MRC vice chair. Both terms begin at the February 2022 MRC meeting.

Next Meeting

Board presentations are located on the Board of Trustees [agenda page](#) on NERC's website. The next Board meeting is February 10 under a hybrid model – Board and MRC members will gather in-person in Atlanta, while attendees will take part virtually.

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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.