# NERC News

## October 2021

## ERO Executive Spotlight – Tim Gallagher, President and CEO, ReliabilityFirst

### Resilience in the Face of Unknowns and an Evolving Threat Landscape

I am often asked the classic question for someone in my type of role: "What keeps you up at night?" In a world where cyber compromises, supply chain interruptions, pandemics, social unrest, climate issues and human performance dominate corporate risk registers, my answer often surprises (or maybe disappoints?). You see, what keeps me awake at night is not knowing what I don't know. As an Electric Reliability Organization (ERO) community and an industry, we are extremely proficient at deconstructing system events, learning from them, making improvements and communicating all of it, so we can either prevent, or effectively deal with, a future recurrence. I take tremendous pride in this and actually worked on some examples of that in my career both in industry and within the ERO. The risks, threats, vulnerabilities and complexities of our work and the Bulk Electric System are ever changing though, and the pace of that change continues to accelerate. I would like to do better personally, and as an industry community, to identify and reduce or remove these risks before we know about them through firsthand experience. *Continued on page 2*

## Headlines

**10th Annual Grid Security Conference Highlights Information Sharing, Names Inaugural Assante Security Service Award Recipients**

**Statement on the Passing of Bill Gallagher**

**Robb Participated as Keynote Speaker at CAMPUT 2021 Virtual Conference**

**Robb Participated in ISO-NE Panel on the Future of the Grid**

**Statement on Cybersecurity Awareness Month**

**RELIABILITY | RESILIENCE | SECURITY**

## Resilience in the Face of Unknowns (cont'd)

To my thinking, two primary areas work in tandem to help us deal with not knowing what we don't know. One is to eliminate our blind spots and open our minds, and the other is resilience.

No one enjoys admitting when they don't have all the answers, but acknowledging that blind spots exist and where they are is the best place to start addressing them. At ReliabilityFirst (RF), we go as far as including "Unknowns & Uncertainty" as a defined risk category identified by staff evaluation of Region-specific information and data. Recent events have demonstrated that threats now change at such an intense speed that we cannot depend on the solutions of years past to address today and tomorrow's challenges. Talking only to the same people, even very smart and experienced people, often results in identifying the same risks and solutions and missing a lot in the process.

A great way to become more aware of unknown unknowns is talking to more and different people. Get out of your comfort zone. Talk to people in other disciplines, other industries, in academia, in government and from other countries — whatever it takes to expand your circle, widen your understanding and learn new things. We do a lot of this at RF, and although it can be hard to start the conversations, it gets easier the more you do it. It is also extremely rewarding.

Secondly, resilience, which has always been important and has always been part of NERC's mission, has become even more important. When I was a young powerflow engineer, I had to study N-1, N-2 and sometimes N-3 contingencies. I did not have to study purposeful, intentional, coordinated and man-made attacks that take out massive parts of the infrastructure simultaneously. I also didn't have to worry about inverters and how they react to system frequency deviations. And there certainly was not the proliferation of sensors, systems and automation that bring the complexity we see and live with today. At that time, it was unimaginable that someone across the ocean potentially could control our assets maliciously.

When we do have blind spots and get caught not knowing what we don't know, resilience is key to mitigating and recovering from the damage. We should acknowledge that we might need to use different tools or ways of thinking to understand, define and achieve the right level of resilience. In short, young Tim, and all the other young Tims out there, cannot powerflow their way out of this.

At RF, our resilience efforts have been developing for years, and we are proud to share them. Whether it is the establishment of our dedicated Operational Analysis and Awareness (OAA) team and Risk & Resilience Program a few years ago, the Continuous Improvement column in our quarterly newsletter, the suite of self-assessment tools RF offers for measuring resilience or our targeted webinars focused on resilience topics, we want to improve the industry's collective expertise.

The trick is doing it quickly enough to keep pace with the ever-evolving skills and volume of those looking to harm our critical infrastructure, as well as the complexity of our own advancing skillsets and tools. Because the ERO has shifted from a strictly compliance-based to a risk-based approach, identifying and mitigating emerging risks is more important now than ever. We must actively seek out risks. If we look at the NERC Standards as the defensive strategy our industry depends on, we can view innovation and continuous improvement as a powerful offense. A strong defense is key to security, and coupling that with outside-the-box offensive tactics can help us get one-step ahead of bad actors.

Working toward this goal of improved resilience together, and doing so with creative thinking, will undoubtedly help our knowledge and proficiency develop faster. I believe this statement (attributed to Ray Kroc, the person credited with the global expansion of McDonalds) that "none of us is as good as all of us" is very apropos when discussing emerging risks. Without admitting we don't know something, it's incredibly difficult to gather enough collective steam to come up with answers.

Without the innovators who are bold enough to explore new ideas, the teammates who are committed to finding solutions together and the leaders who are willing to support these forward-thinking people, we would not have the resilient grid we all depend upon today.

We are fortunate to have resources, like a bullpen of experts across the ERO and industry, organizations and institutions dedicated to cyber research and events like GridSecCon and GridEx, which are available to everyone working to protect the grid. This information sharing is key to successfully building resilience and learning what we don't know. While I may not have all the answers for solving the issues of the rapidly changing threat landscape, I am completely and wholeheartedly certain about one thing: we can only solve them by working together.

I am very grateful to have you all as friends and colleagues to meet these challenges — and that helps me sleep very well at night! ■■■

## Headlines

### 10th Annual Grid Security Conference Highlights Information Sharing, Names Inaugural Assante Security Service Award Recipients

A record number of attendees participated in the 10th annual security conference, GridSecCon, which took place October 19–20. More than 850 security experts from across North America attended the two-day conference to discuss the current grid security environment and the future of cyber and physical security. Hosted by NERC, the Electricity Information Sharing and Analysis Center (EISAC), and the Texas Reliability Entity, Inc. (Texas RE), the conference focused on the most current compromises and emphasized the programs necessary to protect the grid from constantly changing cyber and physical security threats.

Manny Cancel, senior vice president of NERC and chief executive officer (CEO) of the E-ISAC, opened the conference by acknowledging the volume, complexity and velocity of cyber and physical security threats impacting the electricity industry. He noted that the E-ISAC has seen a nearly nine-fold increase in ransomware shares via the EISAC's secure portal, indicating extraordinary escalation in threats that have the capability to impact grid reliability severely.

"From supply chain compromises to operational technology vulnerabilities, this trend shows no sign of subsiding," Cancel told participants. "Despite unprecedented new risks from aggressive nation-state threat actors, persistent domestic civil unrest, extreme weather and evolving pandemic conditions, the E-ISAC team has kept its focus, allowing industry to maintain the level of situational awareness required to mitigate their exposure to these threats."

The second day of the conference opened with a virtual conversation between U.S. Department of Energy Secretary Jennifer Granholm and NERC President and CEO Jim Robb. Both discussed the criticality of a reliable and resilient bulk power system to the economy and quality of life and highlighted the Administration's 100-day plan and industry's positive response.

Texas RE President and CEO Jim Albright remarked during his keynote that "keeping the lights on is vitally important work and all of us at Texas RE believe in what we do … we'd much rather provide training and outreach that sets a registered entity up for success than find a noncompliance in an audit because compliance is not the end goal, a secure and reliable grid is."

Other keynote speakers included:

- **Bruce Walker**, Head of Energy Risk Operations/Energy Chief Risk Officer, Analysis and Resilience Center for Systemic Risk
- **Suzanne Spaulding**, Senior Adviser, Homeland Security, International Security Program, Center for Strategic and International Studies
- **Ed Amoroso**, CEO and Founder, TAG Cyber LLC
- **Tim Brown**, CISO and Vice President, Security, SolarWinds

During the conference, breakout sessions focused on cyber defense for municipalities and co-ops, risk

mitigation, the role of trade associations in cyber security, security threats from drones, supply chain lessons, insider threat programs and industry diversity and inclusion. Prior to the start of the conference, a day of training sessions was offered that covered a range of topics, including operational cyber risk management, cyber physical grid training, a preview of SANS ICS 418, phishing simulation, 5G security, building an insider threat program and supply chain management.

At the conclusion of the conference, the E-ISAC Electricity Security Service Award in honor of Michael J. Assante was awarded to **Marc Child**, information security program manager, Great River Energy; and **Mikhail Falkovich**, chief information security officer, Con Edison. Both award recipients received extraordinary nominations and have demonstrated a commitment to the industry and are well respected across companies, regions and internationally.

This inaugural award was established to recognize the security professionals, who exemplify the ability to inspire, innovate and care for the community as Assante did. He was instrumental in establishing the E-ISAC and served as NERC's first chief security officer.

### Statement on the Passing of Bill Gallagher

It is with great sadness that we note the passing of William J. "Bill" Gallagher on October 15 in Largo, Florida. Gallagher was a long-time supporter and active participant in the ERO Enterprise. He served on NERC's Member Representatives Committee (MRC) for more than a decade, including as chair and vice chair, and other NERC committees during that time — always with an eye toward ensuring reliable power for the public he served throughout his lifetime.

"The NERC Board benefited greatly over the years from the advice and counsel of Bill," said Ken DeFontes, chair of NERC's Board of Trustees. "We knew when Bill raised an issue, it was coming from his true belief that we must all find and do what was best for reliability and for NERC. We have lost an important voice for the ERO."

NERC President and Chief Executive Officer Jim Robb noted, "We shared a passion for the Boston Red Sox and, more importantly, for ensuring the success of NERC and its mission. Bill's almost 60-year career reflects that

dedication — he was a strong advocate for us 'getting it right.' We will miss his thoughtful discussion and sage advice."

"I worked with Bill in many settings for more than 30 years," said Roy Thilly, NERC's past Board chair. "He was a close friend whose passing has left a hole in the hearts of many. Bill was tireless in his commitment to public power, to reliability and to NERC and the women and men who keep the lights on throughout North America. Our thoughts go out to Bill's family during this time of sadness for all of us."

### Robb Participated as Keynote Speaker at CAMPUT 2021 Virtual Conference

Jim Robb, NERC's president and CEO, gave a keynote speech at the CAMPUT 2021 Virtual Conference: Emerging and Advancing Together on October 19. The conference, which ran from October 18–19, focused on how key economic, social and political forces are shaping energy sector relationships regionally, federally and internationally.

### Robb Participated in ISO-NE Panel on the Future of the Grid

Robb also participated in a panel discussion as part of ISO-New England's 2021 Regional System Plan Public Meeting on October 6. The panel titled *Grid of the Future: Preparing and Responding to Extreme Events,* discussed the importance of maintaining reliability as the region transforms and how best to prepare for uncertainty and increasingly sever events on the power system. United States Senator Angus King (I-Maine) gave the keynote address.

Other panelists included:

- **Bill Magness**, Former CEO, Electric Reliability Council of Texas (ERCOT)
- **Charlotte Ancel**, Vice President, Regulatory Strategy, AVANGRID
- **Debra Lew**, Associate Director, Energy Systems Integration Group (ESIG)

## Statement on Cybersecurity Awareness Month

October marked the start of the Cyber Security Awareness Month, "Do Your Part. #BeCyberSmart" campaign. As always, NERC's E-ISAC urges industry to continue being vigilant and proactive and to enhance its cyber security posture. According to Manny Cancel, NERC's senior vice president and CEO of the E-ISAC, while cyber security has been a top priority in the electricity industry for the last decade, this past year has been differentiated by the sheer volume, diversity and sophistication of events. "As of now, this trend shows no sign of abating with high-profile ransomware and hacks, such as SolarWinds, Colonial Pipeline, Microsoft and Kaseya, impacting our economy and capturing headlines," Cancel says.

These events bring into sharp focus the risk of a compromise moving laterally from an enterprise's corporate environment into its operational network, with the potential to impact bulk power system reliability. While NERC is not aware of any resulting bulk power system reliability issues, Cancel cautions the need for continued vigilance and preparedness and the importance of initiatives like Cyber Security Awareness Month. "NERC and the E-ISAC are hugely supportive of dedicating a month to call attention to and raise awareness of the importance of cyber security across our nation. Reminders like this reinforce the need for continued vigilance against threats including phishing attacks and ransomware," Cancel noted.

The E-ISAC encourages its members to practice good cyber hygiene, apply security patches as soon as possible and share cyber incident information with the E-ISAC. ■■■

## Compliance

### Webinar Resources Posted

NERC posted the slide presentation and recording from the October 7 Standards in Align webinar as well as the slide presentation and recording from the October 6 ERO Enterprise Align and ERO SEL Lessons Learned webinar.

## Compliance Guidance Update

There are two new Compliance Monitoring and Enforcement Program (CMEP) Practice Guides posted to the NERC Compliance Guidance web page. CMEP Practice Guides address how ERO Enterprise CMEP staff executes compliance monitoring and enforcement activities. They are developed and maintained by the ERO Enterprise, although in some cases, may be developed following policy discussions with industry stakeholders. CMEP Practice Guides are posted on the NERC website for transparency.

The Evaluating Blackstart Documented Procedures Practice Guide provides guidance to CMEP staff around evaluating documented procedures for identifying and starting Blackstart Resources.

The Cold Weather Preparedness Practice Guide provides guidance to CMEP staff around understanding entity risk and evaluating entity practices and controls, relative to cold weather preparedness, during CMEP activities.

## 2022 Annual Update to Compliance Monitoring and Enforcement Program Implementation Plan

The ERO Enterprise CMEP Implementation Plan (IP) is the annual operating plan used by the ERO Enterprise in performing CMEP responsibilities and duties. The ERO Enterprise executes CMEP activities in accordance with the NERC Rules of Procedure (ROP) (including Appendix 4C), their respective Regional Delegation Agreements and other agreements with regulatory authorities in Canada and Mexico. The ROP requires development of an annual CMEP IP.

The ERO Enterprise is pleased to release the 2022 CMEP IP, describing the risks that will be priorities for the ERO Enterprise's CMEP activities in 2022. Collectively, NERC and each Regional Entity (RE) have worked collaboratively throughout this CMEP's development to evaluate reports of NERC committees (especially the Reliability Issues Steering Committee [RISC]), ERO Enterprise analysis of events and NERC reliability assessments to identify the existing and emerging risks to reliable and secure operations. For more information or assistance, please contact Ryan Mauldin. ■■■

## Reliability Risk Management

### Lesson Learned Posted
NERC posted one new lesson learned on the [Lessons Learned](#) page. A successful lesson learned clearly identifies the lesson, contains sufficient information to understand the issues, visibly identifies the difference between the actual outcome and the desired outcome and includes an accurate sequence of events, when it provides clarity.

The [Pandemic Response](#) Lesson Learned is focused on the following problem statement: By the early 2000s, most entities had created business continuity plans (BCP) for various disaster scenarios, including a major pandemic, and had periodic scenario drills to practice these plans. The COVID-19 pandemic resulted in actual use of these plans early in 2020. The first time a plan is executed with a real-life situation, it can be expected that adjustments will need to be made, and lessons will be learned to improve the effectiveness of future pandemic response plans and possibly improve response to other scenarios contained within the BCP. This document is of primary interest to Transmission Operators, Generator Operators, Balancing Authorities and Reliability Coordinators.

### 2021 Sector Nominations Open for Reliability and Security Technical Committee
The period for nominating candidates for the [Reliability and Security Technical Committee](#) (RSTC) began October 15 and ends on November 12, 2021.

Open Member Positions:
- *Sectors 1–6, 8–10 and 12:* <u>Each sector has one seat open for a two-year term expiring in 2024</u>. If no more than one nomination is received, the nominee will be deemed to have been elected for the open seat. In the event that there is more than one nominee for these sectors, there will be a Sector election process to determine the final representative for that seat.
- *Sector 7:* <u>Two seats open</u> — <u>one seat will be for a two-year term expiring in 2024 and one seat will be filling a retiring member's term expiring in 2023</u>. If no more than two nominations are received, the nominees will be deemed to have

been elected for the open seats. In the event that there are more than two nominees for this sector, there will be a sector election process to determine the final representatives for the open seats.

Terms expire as of the approval of the new membership slates at the Board of Trustees' annual February meeting. Sector nominees need not be NERC members in the sector for which they are nominated; however, they must be eligible to be a member in that sector. Only [NERC members](#) may elect the RSTC members in each sector. If you have any questions about the RSTC nomination or election process, please contact [Stephen Crutchfield](#). [2021 RSTC Sector Nomination Form](#) | [RSTC Charter](#)  ■■■

## Standards

### Standards in Align Reports Launched
The NERC Standards department is pleased to announce that Standards in Align reports are now live on the [Reliability Standards web page](#). Associated reports, including the One-Stop-Shop, U.S. Effective Date Status/Functional Applicability spreadsheet and VRF and VSL matrices are now generated from Align. This effort was a part of the [Align Project](#).

The objectives and benefits of the Align Project are:
- Single, common portal for registered entities, enabling consistency of experience
- Real-time access to information, eliminating delays and manual communications
- Improved capability to support the Risk-Based Compliance Oversight Framework
- Enhanced quality assurance and oversight, enabling consistent application of the CMEP
- Improved analytics, including visibility into compliance and reliability risks
- Increased capability to implement audit best practices and processes (planning, fieldwork, reporting, quality assurance)
- Standardization and implementation of common business processes and workflows, enabling

increased productivity (estimated 15% gain for ERO Enterprise CMEP staff)

NERC staff recently held a webinar providing an overview of the changes: Slide Presentation | Recording

For more information or assistance, please contact Latrice Harkness. ■■■

## Regional Entity Events

**Midwest Reliability Organization (MRO)**
- MRO SAC Q4 Meeting, November 3
- MRO RAC Q4 Meeting, November 9
- MRO CMEP Advisory Council Q4 Meeting, November 10
- Protective Relay Subgroup Q4 Meeting, November 16

**Northeast Power Coordinating Council, Inc. (NPCC)**
- NPCC Fall 2021 Compliance and Reliability Webinar, November 10

**ReliabilityFirst (RF)**
- Technical Talk with RF, November 15

**SERC Reliability Corporation**
- System Operator Conference #4, November 9–11

**Texas RE**
- Talk with Texas RE: CIP & NIST Controls, November 9

**WECC**
- Grid Fundamentals class, November 2–3
- Grid-Forming Inverter-Based Resources webinar, November 17 ■■■

## Upcoming Events

For a full accounting of NERC events, such as meetings and conference calls for standard drafting teams, other standing committees, subcommittees, task forces and working groups, please refer to the NERC calendar.

- **2021 EPRI-NERC-NATF Planning and Modeling Webinar** – 1:00–4:00 p.m. Eastern (each day),

November 3–4, 2021 | Day 1 Registration | Day 2 Registration
- **Virtual Board of Trustees Committees, Member Representatives Committee, and Board of Trustees Meetings** – November 3–4, 2021 | Schedule of Events | Registration
- ***Odessa Disturbance Report*** **Informational Webinar** – 1:00–3:00 p.m. Eastern, November 5, 2021 | Register
- **Standards Committee Conference Call** – 1:00–3:00 p.m. Eastern, November 17, 2021 | Register
- **FERC and ERO Enterprise Real-time Assessments Webinar** – 1:00–3:00 p.m. Eastern, December 8, 2021 | Register ■■■

## Filings

### NERC Filings to FERC in October

*October 12, 2021*
Comments on Transmission Planning ANOPR | NERC and the Regional Entities submit comments on FERC's Advance Notice of Proposed Rulemaking (ANOPR) regarding Regional Transmission Planning and Cost Allocation and Generator Interconnection.

*October 14, 2021*
Motion to Intervene and Comment on Complaint | NERC submits a Motion to Intervene and Comment on complaint regarding cyber security incentives.

*October 21, 2021*
Motion for Extension of Compliance Filing Deadline | NERC and Texas RE submit a Motion for Extension of Compliance Filing Deadline in Response to the Order Conditionally Approving Texas Reliability Entity, Inc. Bylaws. ■■■

## Careers at NERC

**Accounting Specialist**
Location: Atlanta
Details

**Associate Counsel or Counsel (Enforcement)**
Location: Washington, D.C.
Details

**Communications Manager, Internal Communications**
Location: Atlanta
Details

**E-ISAC – Security Operations Analyst – Physical**
Location: Washington, D.C.
Details

**HR Business Partner**
Location: Atlanta
Details

**Principal Auditor**
Location: Atlanta
Details

**Senior Data Analyst**
Location: Atlanta
Details

**Senior Paralegal**
Location: Atlanta
Details  ■■■