

Announcement

NERC Board Focuses on Enhanced Effectiveness, Efficiency

November 16, 2022

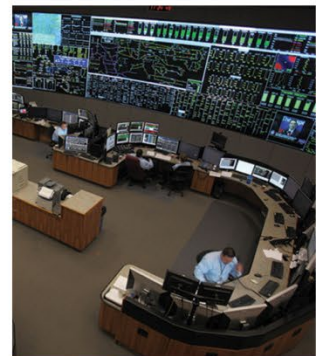
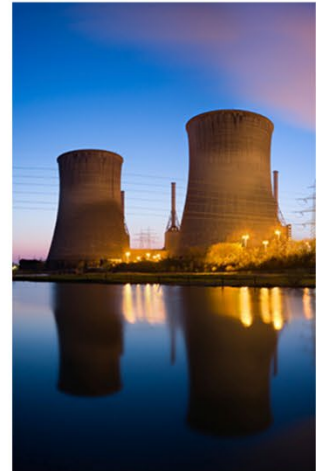
NEW ORLEANS – Recognizing that the energy transformation requires effective tools to manage rapidly emerging reliability risks, NERC’s Board of Trustees focused on innovations to make NERC more efficient and effective. More than 150 stakeholders attended the last Board meeting of 2022, only the second in-person meeting since the start of the pandemic. In his president’s remarks, Jim Robb looked ahead to the coming years and challenges on the horizon for industry.

“We are living in extraordinary times with the transformation of our industry occurring at a rapid rate. We are replacing well-understood, large-scale generation with a new resource mix that has very different risk characteristics,” Robb said. “Managing the risks of a transforming system in an orderly way is the central priority for reliability.”

To that end, the Board approved NERC’s *2023 Work Plan Priorities*, which strive to keep NERC at the forefront of the transformation. The work plan, which looks at priorities and resources over a three-year horizon, focuses on four key areas:

- Tackling the **energy** challenges presented by the changing resource mix and climate change-driven weather events.
- Moving the needle on mitigating key **security** risks through the Electricity Information Sharing and Analysis Center (E-ISAC) and ERO program areas.
- Creating more **agility** in programs and key management processes.
- Investing in the ERO’s **sustainability**, security, and risk reduction.

“As I’ve said before, we can no longer plan year-to-year and must better clarify the initiatives that are ‘must do’ and what capabilities are needed to manage them if we are to be successful. This plan does that. We are pleased with FERC’s approval of the ERO Enterprise budgets and will be responsive to the directive for more information related to the E-ISAC,” Robb said. “We acknowledge that each these areas will take



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tremendous focus. We are ready for the challenge, and work is already underway in a number of areas.”

During the Member Representatives Committee (MRC) meeting, Board Chair Ken DeFontes highlighted a recent Board strategic session that focused on building a more effective and efficient governance process, which Board member Suzanne Keenan detailed in the Corporate Governance and Human Resources Committee (CGHRC) report.

“We listened to feedback from industry on enhancing our engagement, effectiveness and efficiency. We want to increase our collaboration efforts with a broad stakeholder community without creating a new process or framework that adds additional costs and staff,” DeFontes said. “Board engagement with all stakeholders is valuable, and our relationship with the MRC is very important.”

The Board meeting calendar was restructured to feature three in-person meetings a year. The meetings will be held in February, May and August — with the May meeting being in-person for the Board and MRC, and virtual for all other stakeholders. The in-person meetings will also have more significant breaks and longer receptions to allow more time for the Board to engage with stakeholders. The November meeting will be replaced with a streamlined virtual meeting, as needed, for the Board to take care of any governance actions in December.

These key adjustments, along with others outlined by the CGHRC, will allow the Board more effective engagement with the stakeholder community; more efficient, effective and agile governance processes; and more effective use of Board and stakeholder time, DeFontes said.

Board Updates

As part of its continued efforts to make processes more efficient, the Board directed NERC staff earlier this year to examine the standards process to improve NERC’s ability to address urgent reliability needs, while also maintaining the essential role of stakeholders in producing Reliability Standards. To address this directive, NERC staff engaged a broad group of stakeholders in key committee leadership roles — the Standards Process Stakeholder Engagement Group — to develop ways to enhance the agility of the standards process and to address an important, missing authority for the Board. The Board approved a series of resolutions to move the initiative forward in the following areas: Section 300 of the NERC Rules of Procedure, Appendix 3A to the NERC Rules of Procedure *Standard Processes Manual*, standing committee activities and a review of the Registered Ballot Body.

Attendees also received updates on ERO Enterprise Reliability Indicators and the Credential Maintenance Research Project, as well as presentations on two upcoming reliability assessments:

- The *2022 Winter Reliability Assessment* warns that a large portion of the North American bulk power system is at risk of having insufficient energy supplies during severe winter weather. The assessment, which will be released **November 17**, finds that high peak-demand projections, inadequate generator weatherization, fuel supply risks and limited natural gas infrastructure contribute to reliability risk.

- *The 2022 Long-Term Reliability Assessment*, currently under development and planned for release in mid-December, examines resource adequacy for the 2023–2032 assessment period. This assessment also points to elevated reliability risk under more extreme weather scenarios.

Other Action

The Board accepted the recommendations outlined in the Low Impact Criteria Review Team white paper, which identifies risks and management strategies to better protect low-impact Bulk Electric System (BES) cyber systems.

“This white paper provides an important step forward in addressing the risk of a coordinated attack on multiple points on the BES,” said Howard Gugel, NERC’s vice president of Engineering and Standards. “The Low Impact Criteria Review Team, a group representing a cross section of industry, has provided important recommendations to address this critical cyber security risk.”

Also regarding low-impact BES cyber systems, the Board adopted Project 2020-03 – Supply Chain Low Impact Revisions. The revisions address the risk of low-impact BES cyber systems with remote electronic access connectivity. The project additionally meets the need of a Board resolution by revising CIP-003-8 to add a requirement that addresses vendor security controls for remote access and methods for determining and disabling vendor remote access.

The Board approved a Section 1600 data request and the *Reliability Standards Development Plan*. The Generating Availability Data Systems (GADS) Section 1600 request adds utility-scale solar and wind plant data to the already conventional data generation data collected, beginning January 1, 2024. This will allow NERC to conduct a more detailed and robust analysis on how operating conditions, such as extreme weather, impact unit configurations or key operating components. The *Reliability Standards Development Plan* prioritizes standards projects and resources for the coming year and is developed annually as required under NERC’s Rules of Procedure.

To open the meeting, remarks were also provided by Drew Marsh, CEO, Entergy; James Danly, commissioner, Federal Energy Regulatory Commission (FERC); Puesh Kumar, director, Cybersecurity, Energy, Security and Emergency Response (CESER), Department of Energy (DOE); and David Morton, chair, CAMPUT.

Board presentations may be found [here](#). The next Board of Trustees meeting is February 15–16 in Tucson, Arizona.

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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.