NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

NERC News

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ERO Executive Spotlight – Tim Gallagher, President and Chief Executive Officer, ReliabilityFirst

Mitigating Today's Known Risks to the Grid is Crucial to Being Able to Face the Unknown Challenges of Tomorrow

Last October (has it really been a year already?) when I had the opportunity to step into the NERC News spotlight, I wrote to you about resilience and unknown risks and what keeps me up at night. The good news is that last year's column is still valid now. The challenging news is that more risks keep getting thrown at all of us collectively and that is not likely to change — we still have to remain diligent to seek to "know what we don't know." As I mentioned last October, resilience is a key tool in dealing with risks, whether they be known or unknown, and your efforts there will pay dividends, I assure you.

This year, I would like to offer you a challenge that I have laid at the feet of my staff and of the industry partners we get to work with every day in the RF footprint. As our nation continues on a fast-paced journey to decarbonization of electricity supply coupled with greater electrification and more dependence upon the Bulk Electric System, we are sure to encounter some new and emerging risks, some of which we don't yet know about. My challenge to all of you is to remove or mitigate as many of today's well-known, well-established risks, so we can be in the best position to meet the new and unexpected risks and challenges coming our way in the future. If we cannot solve today's issues now, we are going to be fighting an almost insurmountable battle to tackle them *and* new ones in the future. And the stakes couldn't be higher; as the electrification of the nation continues to expand, home heating and cooking, private transportation and the transportation and supply chain industries will all be critically dependent upon a reliable, secure resilient power system.

Headlines

ERO Enterprise Releases Facility Ratings Best Practices Report

11th Annual Grid Security Conference Highlights Planning and Preparedness, Names Michael J. Assante Security Service Award Recipient

Sonia Mendonca at EBA 2022 Mid-Year Energy Forum

(Cont'd)

Allow me to provide three short examples of what I mean when I ask all of us to deal with today's well-known risks:

Extreme Weather Preparation: Notice I did not say cold weather preparation, because that overlooks that extremely hot weather poses problems for the electric system just as cold weather does. There are many examples, some very current and unfortunately tragic, that illustrate exactly what the risks of poor or inadequate weatherization and preparation are to the reliability and security of the Bulk Electric System and to the public we serve. Data clearly demonstrates that extreme weather events are increasing, and through forensic event analysis, we can find the root causes of the issues that were experienced during past extreme weather. We know what this risk is and what drives it — we can and must remove or reduce it.

Facility Ratings: Ratings are the fundamental building blocks of electric system planning and operations. We must have accurate and current ratings for all Bulk Electric System facilities in order to carry out these functions. A lot of work has been done to identify why ratings can drift or not match field conditions, and a lot of corrections have been made by facility owners. The challenge is to get the ratings right and then to build sustainability and controls into our programs, so we don't experience drift over time. So many decisions are based upon the ratings of Bulk Electric System facilities, and incorrect ratings can be a force multiplier in increasing risks in real-time operations, especially when the system is stressed by resource adequacy issues or unplanned outages.

Cyber Hygiene: This current day risk is not unique to our industry, but rather is ubiquitous and plagues all industries. And it really is not fair — we have to be right all the time while our antagonists only have to be right once to do us harm. But fair or not, we must always be diligent and practice good cyber hygiene, not just as security professionals or administrators, but as users. To be truly successful in limiting the impact of this risk, we need strong controls, effective programs and plenty of testing and practice so that we develop the muscle memory now to protect us when we are under attack for a potential compromise. I am by no means a cyber security expert, but I know that the large majority of compromises result from mistakes made by users.

There are plenty of other examples, and I am sure you know about some of them far better than I ever will. But the point is to limit the number and impacts of these kinds of risks now, so it takes a few things off your plates as you turn your eyes to tomorrow.

In short, so we can all sleep a little better and not worry as much about what we don't know, let's work together to work on what we do know.

Headlines

ERO Enterprise Releases Facility Ratings Best Practices Report

Maintaining reliability across the bulk power system is not an isolated endeavor — it is a complex, multi-pronged effort that is supported by numerous components, programs, initiatives and organizations across North America. Facility ratings play a significant role in the reliable planning and operation of the bulk power system and therefore demand effective management to reduce associated risks and impacts.

The impacts of incorrect facility ratings can range from operating with limited information to uncontrolled widespread service outages and fires. Facility ratings and system limitations also play a key role in modeling the grid as future bulk power system projects are contemplated to manage load growth and mitigate system constraints. To ensure a reliable and secure grid, it is of utmost importance that registered entities have strong and sustainable facility ratings programs.

To support our stakeholders, the ERO Enterprise actively engaged in mitigating activities associated with facility ratings and identified four common themes that pose challenges to the sustainability of accurate facility ratings:

- Lack of awareness
- Inadequate asset and data management

- Inadequate change management
- Inconsistent development and application of facility ratings methodologies

The *ERO Enterprise Themes and Best Practices for Sustaining Accurate Facility Ratings* report is intended to aid stakeholders in strengthening the accuracy and sustainability of their facility ratings programs, resulting in the lessening of facility ratings challenges and ensuring a more reliable and secure bulk power system. The best practices in this report are not directives to industry to undertake any actions. Rather, they are best practices for mitigating risks in the area of facility ratings and for addressing the themes identified in this report. Full Announcement

11th Annual Grid Security Conference Highlights

More than 750 security experts from across North America participated in the 11th annual security conference, GridSecCon, which took place earlier this month. Hosted by NERC, the Electricity Information Sharing and Analysis Center (E-ISAC) and ReliabilityFirst, the three-day conference focused on the current grid security environment and grid security planning and preparedness. Conference participants represented a cross-section of industry and government partners in North America, who gathered to attend training sessions and to share information that included best practices and lessons learned.

At the close of the conference, Manny Cancel, senior vice president of NERC and CEO of the E-ISAC, announced Tony Eddleman, director of NERC Reliability Compliance at Nebraska Public Power District, as the winner of the 2022 E-ISAC Electricity Security Service Award in honor of Michael J. Assante. Eddleman received multiple nominations recognizing his commitment to excellence and his dedication to the industry and work ethic.

Sonia Mendonca at EBA 2022 Mid-Year Energy Forum

Sonia Mendonca, NERC's senior vice president, general counsel, and corporate secretary, recently participated in the Energy Bar Association (EBA) 2022 Mid-Year Energy Forum. The event theme — Managing through a Crisis: Energy Transition and Upheaval — focused on all aspects of energy law, policy and trends. Mendonca participated in — CRISIS MANAGED! Managing Risk on the Energy Grid — and along with other panelists discussed how they manage the risk associated with the changing energy grid and offered insights on the skills necessary to pivot in and respond to real world crisis events. ■■■

Compliance

Newly Effective Standards

The following standards became effective on October 1, 2022:

- CIP-013-2 – Cyber Security — Supply Chain Risk Management
- CIP-005-7 – Cyber Security — Electronic Security Perimeter(s)
- CIP-010-4 – Cyber Security — Configuration Change Management and Vulnerability Assessments
- PRC-024-3 – Frequency and Voltage Protection Settings for Generating Resources

Posted RSAW

NERC posted the Reliability Standard Audit Worksheet (RSAW) for PRC-024-3. This standard became effective October 1, 2022 and reflects the changes related to Standard Drafting Team Project 2018-04 – Modifications to PRC-024-2. On November 27, 2018, the NERC Operating Committee (OC) and Planning Committee (PC) submitted a Standard Authorization Request (SAR) prepared by the Inverter-Based Resource Performance Task Force (IRPTF), which reports to the OC and PC.

Based off the analyses of the Blue Cut Fire and Canyon 2 Fire disturbances in Southern California along with the development of the *PRC-024-2 Gaps White Paper*, the IRPTF identified potential modifications to PRC-024-2 to ensure that inverter-based generator owners, operators, developers and equipment manufacturers understand the intent of the standard in order for their plants to respond to grid disturbances in a manner that contributes to the reliable operation of the bulk power system.

Compliance Guidance Update

NERC posted one new ERO Enterprise-endorsed Implementation Guidance document posted on the

Compliance Guidance web page: FAC-002-4 R6 – Definition of Qualified Change (202-05 SDT). ■■■

Event Analysis, Reliability Assessment, and Performance Analysis

2022 Sector Nominations for Reliability and Security Technical Committee Now Open

The 2022 sector nomination period for the Reliability and Security Technical Committee (RSTC) began October 13 and ends on November 11, 2022. Sectors 1–10 and Sector 12 each have one seat open for a two-year term expiring in 2025. 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. 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 any sector, there will be a Sector election process to determine the final representatives for the open seat. 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. Canadian sector nominations are encouraged. 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. Submit nominations using the 2022 RSTC Sector Nomination Form.

Monitoring and Situational Awareness Technical Conference Resources Posted

NERC posted the presentations and streaming webinars from all three sessions of the 2022 Monitoring and Situational Awareness Technical Conference.

Session 1: Presentation | Streaming Webinar

Session 2: Presentation | Streaming Webinar

Session 3: Presentation | Streaming Webinar

White Paper Posted

The NERC System Planning Impacts from Distributed Energy Resources Working Group (SPIDERWG) evaluated the current body of NERC Reliability Standards and the requirements within those standards for their applicability and effectiveness to remain relevant with increasing levels of distributed energy resources. The *NERC Reliability Standards Review White Paper* details the findings of the SPIDERWG review and makes recommendations for actions that should be taken to address identified issues. ■■■

Standards

Project 2016-02 Additional Ballot and Non-Binding Poll Results

The comment period and additional ballots for the fourth draft of the CIP Virtualization suite of standards concluded October 7, 2022. The associated Violation Risk Factor and Violation Severity Level non-binding polls were extended one day in order to reach quorum and closed October 10, 2022. The voting statistics are listed below, and the details can be accessed on the Ballot Results page. The drafting team will review all responses received during the comment period and determine the next steps of the project.

	Ballot	Non-binding Poll
Standard	Quorum / Approval	Quorum / Supportive Opinions
CIP-002-7	77.12% / 94.63%	80.00% / 97.25%
CIP-003-Y	77.12% / 84.90%	75.00% / 87.36%
CIP-004-8	77.30% / 84.60%	80.00% / 88.46%
CIP-005-8	77.63% / 65.26%	80.36% / 69.95%
CIP-006-7	77.30% / 92.60%	79.72% / 93.44%
CIP-007-7	76.97% / 67.38%	79.72% / 73.08%
CIP-008-7	76.97% / 95.67%	79.72% / 96.70%
CIP-009-7	76.97% / 95.38%	79.72% / 96.15%
CIP-010-5	77.30% / 46.35%	79.72% / 57.46%
CIP-011-4	76.97% / 82.59%	80.07% / 87.50%
CIP-013-3	76.97% / 82.88%	79.72% / 87.98%

■■■

Upcoming Events

For a full schedule 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.

- Project 2021-04 – Modifications to PRC-002-3 Webinar – 1:00–2:30 p.m. Eastern, October 31 | Register
- EPRI–NATF–NERC 2022 Annual Transmission Planning and Modeling Workshop – November 2–3 | Day 1 Registration | Day 2 Registration | Agenda
- Personnel Certification Governance Committee Meeting – 8:00–9:00 a.m. Eastern, November 8 | Register
- Quarterly Board of Trustees, Board Committees, and Member Representatives Committee Meetings – November 15–16 | Meetings Registration | Schedule of Events | Agenda Package
- Distributed Energy Resources Virtual Workshop – 11:00 a.m.–5:00 p.m. Eastern, December 14 | Register

Regional Entity Events

Midwest Reliability Organization (MRO)

- CMEP Advisory Council Monthly Call, November 8
- MRO Security Advisory Council Q4 Meeting, November 9
- MRO CMEP Advisory Council Q4 Meeting, November 10
- MRO Reliability Advisory Council Q4 Meeting, November 16
- Organizational Group Oversight Committee, November 30
- MRO Board of Directions Meeting, December 1
- MRO Protective Relay Subgroup Q4 Meeting, December 6
- CMEP Advisory Council Monthly Call, December 13
- 2022 Regional Winter Assessment Webinar, December 15

NPCC

- NPCC Fall 2022 Hybrid Compliance and Reliability Conference, November 9–10

ReliabilityFirst (RF)

- Technical Talk with RF, November 14
- Technical Talk with RF, December 12

SERC Reliability Corporation

- System Operator Conference #4, November 8–10
- SERC Risk Committee Meeting, December 13
- SERC December Board of Directors Meeting, December 14

Texas RE

- Talk with Texas RE: CIP-008, November 8
- Energy Industry Vendors Summit, November 9
- Talk with Texas RE: Virtualization BCSI in the Cloud, December 1
- Talk with Texas RE: Certification, December 8

WECC

- Grid Fundamentals In-Person Workshop, November 1–2
- Resource Adequacy Series: Resource Adequacy and Western Heat Domes, November 2
- Joint Guidance Committee Virtual Meeting, November 4
- Compliance Open Webinar, November 17

Filings

NERC Filings to FERC in October

October 28

Petition for Approval of Proposed Reliability Standards EOP-011-3 and EOP-012-1 | NERC submitted a petition for approval of Reliability Standards EOP-011-3 and EOP-012-1 and requested expedited action.

October 13

Comments on NOPR - Interconnection | NERC and the Regional Entities submitted comments on the Notice of Proposed Rulemaking (NOPR) regarding Improvements to Generator Interconnection Procedures and Agreements.

October 5
Joint Compliance Filing of NERC and NPCC for Approval of Amendments to NPCC Bylaws | NERC and NPCC submitted a compliance filing for approval of amendments to NPCC Bylaws.

NERC Canadian Filings in October

October 19
Notice of Filing of NERC of Amendments to the Bylaws of NPCC (CER)

Notice of Filing of NERC of Amendments to the Bylaws of NPCC (New Brunswick)

Notice of Filing of NERC of Amendments to the Bylaws of NPCC (Nova Scotia)

Notice of Filing of NERC of Amendments to the Bylaws of NPCC (Ontario)

Notice of Filing of NERC of Amendments to the Bylaws of NPCC (Quebec)

Careers at NERC

Principal Technical Advisor, Performance Analysis Program
Location: Atlanta
Details

Financial and Budget Analyst
Location: Atlanta
Details

Senior Engineer, Reliability Assessments
Location: Atlanta
Details