

Agenda

Board of Trustees

November 5, 2020 | 2:00-4:00 p.m. Eastern
Conference Call

Attendee Webex: [Join Meeting](#)

Call to Order

NERC Antitrust Compliance Guidelines*

Introduction and Chair's Remarks

Consent Agenda – Approve

1. Minutes*

- a. August 20, 2020

2. Committee Membership and Charter Amendments*

- a. Compliance and Certification Committee Membership
- b. Personnel Certification Governance Committee Membership

Regular Agenda

3. Remarks and Reports

- a. Remarks by Patricia Hoffman, Principal Deputy Assistant Secretary, DOE
- b. Remarks by John McAvoy, Chairman and CEO, Consolidated Edison of New York
- c. President's Report
- d. Report on the October 30, 2020 NERC Trustees and Regional Entity Board Officers Annual Meeting and Board of Trustees Closed Meeting – **Information**

4. Board Committee Reports

- a. Corporate Governance and Human Resources
- b. Compliance
- c. Finance and Audit
 - i. Third Quarter Unaudited Financial Statements – **Accept**
- d. Enterprise-wide Risk
- e. Technology and Security

- f. Nominating
- g. Report by Rob Manning on Standards Quarterly Activities

5. Standards Quarterly Report and Actions*

- a. Project 2019-03 Cyber Security Supply Chain Risks – **Adopt**
- b. 2021-2023 Reliability Standards Development Plan – **Approve**

6. Other Matters and Reports

- a. Policy Input and Member Representatives Committee Meeting – **Discussion**
- b. 2021 ERO Enterprise Work Plan Priorities* – **Approve**
- c. Cold Weather Preparedness* – **Update**
- d. 2020/21 Winter Reliability Assessment Preview* – **Review**
- e. 2020 Long-Term Reliability Assessment Preview* – **Review**
- f. Reliability and Security Technical Committee and Reliability Issues Steering Committee Joint Presentation* – **Review**

7. Committee Reports*

- a. Member Representatives Committee
- b. Personnel Certification Governance Committee
- c. Standards Committee
- d. Compliance and Certification Committee
- e. Electricity Subsector Coordinating Council

8. Forum and Group Reports*

- a. North American Energy Standards Board
- b. North American Transmission Forum
- c. North American Generator Forum

9. Adjournment

*Background materials included.

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

DRAFT Minutes

Board of Trustees

August 20, 2020 | 2:00–4:30 p.m. Eastern

Conference Call

Call to Order

Mr. Roy Thilly, Chair, called to order the duly noticed open meeting of the Board of Trustees (the “Board”) of the North American Electric Reliability Corporation (“NERC” or the “Corporation”) on August 20, 2020, at 2:00 p.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Board Members

Roy Thilly, Chair

Jane Allen

Kenneth W. DeFontes, Chair-Elect and Vice Chair

Robert G. Clarke

George S. Hawkins

Suzanne Keenan

Robin E. Manning

Jim Piro

James B. Robb, President and Chief Executive Officer

Jan Schori

Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary

Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC

Thomas Coleman, Director, Risk Issue Management, Reliability Standards

Howard Gugel, Vice President, Engineering and Standards

Kelly Hanson, Senior Vice President and Chief Administrative Officer

Mark Lauby, Senior Vice President and Chief Engineer

Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary

John Moura, Director, Reliability Assessment and Technical Committees

Steven Noess, Director, Regulatory Programs

Janet Sena, Senior Vice President, External Affairs

Andy Sharp, Vice President and Chief Financial Officer

Mechelle Thomas, Vice President, Compliance

NERC Antitrust Compliance Guidelines

Ms. Buzzard noted the public nature of the meeting and directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the advance meeting materials. She stated that any additional questions regarding these guidelines should be directed to Ms. Mendonça.

Introduction and Chair's Remarks

Mr. Thilly welcomed all of the attendees to the meeting, acknowledging the presence of Commissioner McNamee from the Federal Energy Regulatory Commission ("FERC"); Mr. Bruce Walker and Mr. Alexander Gates, from the Department of Energy; Mr. David Morton, Canada's Energy and Utility Regulators ("CAMPUS") Representative to NERC; Mr. Francis Bradley, President and CEO of the Canadian Electricity Association; Ms. Allen, NERC's newest Trustee; and Ms. Kelly Hanson, NERC's Senior Vice President and Chief Administrative Officer. He thanked Mr. Robb and NERC staff for their work amid COVID-19 and reported that the November Board meetings will be held online.

Mr. Robb introduced Ms. Kelly and summarized her background.

Consent Agenda

Upon motion duly made and seconded, the Board approved the consent agenda as follows:

Minutes

The draft minutes for the July 23, 2020 and May 14, 2020 meetings were approved as presented to the Board at this meeting.

Committee Membership and Charter Amendments

Compliance and Certification Committee Membership

RESOLVED, that the Board hereby approves the term extension of current Compliance and Certification Committee ("CCC") members, as follows:

<u>Member</u>	<u>Sector</u>	<u>Current End of Term</u>	<u>Revised End of Term</u>
John Allen	State/Municipal Utility	8/16/2021	12/31/2022
Yee Chou	Regional Entity/At-large	8/10/2020	12/31/2020
Jim Crawford	Small End-Use Customer	8/15/2022	12/31/2022
Jodirah Green	Electricity Marketer	11/9/2020	12/31/2020
Mark Hegerle	U.S. Federal	8/15/2022	12/31/2022
Martha Henson	Regional Entity/At-large	2/7/2022	12/31/2022
Justin MacDonald	Cooperative Utility	11/5/2022	12/31/2022
Steve McElhaney	Regional Entity/At-large	11/9/2020	12/31/2020
Lisa Milanes	Regional Entity/At-large	11/9/2020	12/31/2021
Keith Porterfield	Cooperative Utility	5/10/2021	12/31/2021
Ashley Stringer	Transm'n Dependent Utility	11/5/2022	12/31/2022
Jami Young	Regional Entity/At-large	8/15/2022	12/31/2022

Reliability Issues Steering Committee Charter Amendments

RESOLVED, that the Board hereby approves the amended Reliability Issues Steering Committee (“RISC”) charter, substantially in the form presented to the Board at this meeting, to replace the RISC charter approved by the Board on May 7, 2015.

Regular Agenda

Remarks and Reports

Remarks by Francis Bradley, President and CEO, CEA

Mr. Thilly introduced Mr. Bradley, President and Chief Executive Officer of CEA. Mr. Bradley thanked NERC leadership for the invitation to speak at the Board Open Meeting, and highlighted the importance of grid reliability amid the pandemic. He noted that meeting the challenges presented by COVID-19 requires sharing best practices and coordination between regulators and entities across North America.

Remarks by Bernard L. McNamee, Commissioner, FERC

Mr. Robb introduced Commissioner McNamee of FERC. Commissioner McNamee remarked on the importance of NERC's development of white papers and Reliability Standards and NERC's work amid COVID-19, noting that there is still more to be done. He highlighted the importance of NERC's continued work on supply chain and physical and cyber security matters.

Remarks by Bruce Walker, Assistant Secretary, DOE and Alexander Gates, Director, CESER, DOE

Mr. Thilly introduced Mr. Walker, Assistant Secretary, Office of Electricity, at DOE. Mr. Walker remarked that NERC and DOE continue to work together to address resilience and reliability. He discussed upcoming projects funded by DOE and noted the importance of the Grid Storage Launchpad, a new public-project to support large –scale energy storage. Mr. Walker noted DOE's continued work with asset owners on critical defense facilities and commented on the May 15, 2019 Executive Order on Securing the Information and Communications Technology and Services Supply Chain.

Mr. Robb introduced Mr. Gates, Director, Office of Cybersecurity, Energy Security, and Emergency Response (CESER), at DOE. Mr. Gates acknowledged NERC's extensive coordination with DOE and outlined a strategic review of the CESER office, which is focused on enhancing DOE's capabilities to provide unique insights into threats facing the grid.

President's Report

Mr. Robb emphasized the importance of cooperation and coordination and the criticality of NERC's mission in light of recent weather events and the pandemic. He acknowledged NERC's work with the Commission, DOE, the North American Transmission Forum (NATF), and the Electric Power Research Institute. He expressed his appreciation to the ERO Enterprise in its seamless transition to working remotely amid COVID-19.

Ms. Sara Patrick remarked on the importance of the ERO Enterprise leveraging their knowledge and resources to manage risk to the grid. She remarked on the ERO Enterprise transformation, including increased communication and collaboration pertaining to Compliance Monitoring and Enforcement Program (CMEP) activities.

Report on the August 17 Board of Trustees Closed meeting and the August 18, 2020 Annual Meeting of the NERC Board of Trustees and Canadian Regulators

Mr. Thilly reported that, on August 17, 2020, as is its custom, the Board met in closed session discuss NERC management activities. He also reported that, on August 18, 2020, the NERC Board of Trustees met with Canadian Regulators. Mr. Thilly introduced Mr. David Morton. Mr. Morton commented on the meeting between the NERC Board of Trustees and Canadian Regulators, including their shared interest in maintaining grid reliability during the pandemic.

Board Committee Reports

Corporate Governance and Human Resources

Mr. Hawkins, Committee Chair, welcomed Ms. Allen and Ms. Hanson to the meeting and reported on the Committee's closed meeting on August 17, 2020 and open meeting on August 19, 2020. At the closed meeting, the Committee received an update on NERC's post-COVID future and the ERO 2020 Work Plan Priorities, and reviewed the 2021 Work Plan Priorities. At the open meeting, the Committee received a staffing update and discussed NERC's responsible return to the office.

Compliance

Ms. Shori, Committee Chair, welcomed Ms. Allen to the meeting and reported on the executive meeting of the Committee on August 18, 2020. She noted that the Committee approved one Full Notice of Penalty and received an update on CMEP activities in Canada.

Finance and Audit

Second Quarter Unaudited Financial Statements

Mr. Clarke, Committee Chair, reported on the open meeting of the Committee held on August 19, 2020 to review the second quarter 2020 unaudited results of operations. Upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board, upon recommendation of the Finance and Audit Committee, hereby accepts the Second Quarter 2020 NERC, Combined ERO Enterprise, and Regional Entity Unaudited Results, as presented to the Board at this meeting.

NERC and Regional Entity Proposed 2021 Business Plans and Budgets and Associated Assessments

Mr. Clarke reported that the Committee reviewed the NERC and Regional Entity Proposed 2021 Business Plans and Budgets and associated assessments. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby approves the following, substantially in the form presented to the Board at this meeting:

1. The proposed 2021 NERC Business Plan and Budget;
2. The proposed 2021 Business Plans and Budgets of the Regional Entities and the Western Interconnection Regional Advisory Board; and
3. The proposed 2021 assessments to recover the costs of the approved 2021 budgets, subject to adjustments to reflect final Net Energy for Load numbers, together with such other adjustments as may be necessary.

FURTHER RESOLVED,

that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

Annual Renewal of Unsecured Line of Credit

Mr. Clarke also reported that the Committee reviewed the renewal of the unsecured line of credit. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board, upon recommendation of the Finance and Audit Committee, hereby approves the renewal of the unsecured line of credit for emergency working capital needs or unforeseen contingencies.

FURTHER RESOLVED, that NERC management is hereby authorized to take such actions as are necessary to finalize and execute the credit facility documentation, consistent with the parameters of the confidential term sheet provided by the lender.

Enterprise-Wide Risk

Ms. Sidford, Committee Chair, reported that the Committee met in closed session on August 11, 2020. At its meeting, the Committee reviewed: (i) the status of the 2020 Audit Plan; (ii) NERC's process for identifying risks, assessing mitigation, and determining risk rankings; and (iii) Compliance and Certification Committee ("CCC") activities.

Technology and Security

Ms. Keenan, Committee Chair, reported that the Committee met in open session on August 19, 2020 to discuss items including: (i) ERO Enterprise Business Technology Projects; (ii) the ERO Enterprise Align project; and, (iii) the ERO Enterprise Secure Evidence Locker.

Nominating

Mr. DeFontes, Committee Chair, reported on the U.S. Trustee search.

Report by Rob Manning on Standards Quarterly Activities

Mr. Manning reported on the recent Standards Committee meetings, including the addition of members to the cold weather Standards Authorization Request (SAR) Drafting Team and work related to inverter-based resources.

Standards Quarterly Report and Actions

WECC Regional Variance PRC-006-5 Automatic Underfrequency Load Shedding

Mr. Gugel presented the proposed Reliability Standard. Upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby adopts the proposed Reliability Standard PRC-006-5, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard PRC-006-4, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Northeast Power Coordinating Council Regional Standard Processes Manual Modifications

Mr. Gugel presented the proposed modifications to the Northeast Power Coordinating Council Regional Standard Processes Manual. Upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby approves the modifications to the Northeast Power Coordinating Council (“NPCC”) Regional Standard Processes Manual, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

Supply Chain Activities

Mr. Gugel provided an update on supply chain activities, referencing the material provided in the advance agenda package. He noted the SAR in development pertaining to supply chain low impact revisions and the coordination with the NATF and DOE on supply chain matters.

Other Matters and Reports

Policy Input and Member Representatives Committee Meeting

Mr. Thilly reported on the discussion of policy input items and technical updates at the MRC meeting.

E-ISAC Long-Term Strategic Plan

Mr. Cancel presented the proposed E-ISAC Long-Term Strategic Plan. Upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, in 2017, the Electricity Information Sharing and Analysis Center (“E-ISAC”) developed the E-ISAC Long-Term Strategic Plan (“Strategic Plan”) to articulate the E-ISAC’s mission and priorities, and focus its resources to help the electric sector protect against and mitigate the risks of escalating cyber and physical security threats.

WHEREAS, the E-ISAC developed the Strategic Plan with guidance from the Electricity Subsector Coordinating Council’s (“ESCC”) Member Executive Committee (“MEC”), an advisory committee established by the ESCC to provide high level industry guidance to NERC on the operation of the E-ISAC.

WHEREAS, in April and May of 2017, the MEC endorsed and the Board accepted the E-ISAC Strategic Plan, respectively.

WHEREAS, as part of management’s planning efforts for 2020-2021, the E-ISAC assessed the Strategic Plan to confirm the E-ISAC’s strategic and operational focus, evaluate and refine its products and services, optimize resource planning, and identify additional areas to provide value to members.

WHEREAS, based on that assessment, the E-ISAC has updated the Strategic Plan in consultation with the MEC, the MEC has endorsed the updated plan, and the Technology and Security Committee (“TSC”) has recommended that the Board accept the updated plan.

RESOLVED, that the Board does hereby convey its gratitude to NERC staff and the MEC, for their work on the Strategic Plan, and to the Member Representatives Committee (“MRC”) for the policy input provided.

FURTHER RESOLVED, that the Board hereby accepts the proposed changes to the E-ISAC Long-Term Strategic Plan, substantially in the form presented to the Board at this meeting. The Board further directs NERC staff , in consultation with the MEC, to review the policy input from the MRC and others and make appropriate improvements to the Strategic Plan based on those comments Any resulting changes should be reported to the Board’s Technology and Security Committee.

Rules of Procedure Amendments for Second Five-Year Performance Assessment Compliance Filing

Mr. Noess presented the proposed revisions to the NERC Rules of Procedure. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, the proposed revisions to Sections 500 and 1003; and Appendices 2 (Definitions Used in the Rules of Procedure), 4B (Sanction Guidelines), 5A (Organization Registration and Certification

Manual), 5B (Statement of Compliance Registry Criteria), and 5C (Procedure for Requesting and Receiving an Exception from the Application of the NERC Definition of Bulk Electric System) modernize the NERC Rules of Procedure (“ROP”), reflect current business practices, provide further clarification and transparency to Industry Stakeholders, and address certain directives from the Federal Energy Regulatory Commission (“FERC”) contained in its January 23, 2020 *Order on Five Year Performance Assessment*, 170 FERC ¶ 61,029 (2020).

RESOLVED, that the Board hereby approves the proposed amendments to Sections 500 and 1003; and Appendices 2, 4B, 5A, 5B, and 5C to the NERC Rules of Procedure, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

NERC Bylaws

Ms. Mendonça presented the proposed amendments to the NERC Bylaws. She highlighted that the primary areas of revisions relate to the composition of NERC's membership Sectors and certain rules relating to the MRC, as well as the bright line criteria for excluding candidates for the role of an independent NERC trustee. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, the Member Representatives Committee (“MRC”) approved the amended NERC Bylaws at its August 20, 2020 meeting.

RESOLVED, that the Board hereby approves the amended NERC Bylaws, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with applicable regulatory authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

Compliance and Certification Committee Actions

Jennifer Flandermeyer, CCC Chair, presented revised CCC procedure documents for the Board's approval. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby approves the revised procedure document CCCPP-003-3, Monitoring Program for NERC's Rules of Procedure for Reliability Standards Development, substantially in the form presented to the Board at this meeting.

RESOLVED, that the Board hereby approves the revised procedure document CCCPP-007-4, Monitoring Program for NERC's Adherence to NERC's Rules of Procedure for Registration and Certification, substantially in the form presented to the Board at this meeting.

RESOLVED, that the Board hereby approves the revised procedure document CCCPP-008-2, Program for Monitoring Stakeholder's Perceptions, substantially in the form presented to the Board at this meeting.

RESOLVED, that the Board hereby approves the procedure document CCCPP-013-1, Procedure for the Selection of Members to the NERC Compliance and Certification Committee, substantially in the form presented to the Board at this meeting.

RESOLVED, that the Board hereby approves the removal of retired NERC Committees from the list of pre-qualified organizations for submitting implementation guidance, as presented to the Board at this meeting.

Reliability and Security Technical Committee

Mr. Greg Ford, Committee Chair, summarized the topics discussed at the June 10, 2020 meeting. He highlighted the Committee's Transition Plan.

2020 ERO Enterprise Reliability Indicators

Mr. Coleman provided an update on the 2020 ERO Enterprise Reliability Indicators, including reviewing each of the indicators and performance through the third quarter of 2020.

Committee Reports

Representatives of the Standing Committees provided reports to the Board, highlighting items from their written reports, which had been included with the advance meeting materials.

Member Representatives Committee

Ms. Jennifer Sterling, Committee Chair, summarized the topics discussed at the August 20, 2020 meeting, including the election of Ms. Allen as a new Trustee and approval of the NERC Bylaws amendments.

Personnel Certification Governance Committee

Mr. Cory Danson, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package. He highlighted that the Committee's Nominations Task Force held open nominations to replace one open position on the Committee.

Standards Committee

Ms. Amy Casuscelli, Committee Chair, referenced the written report and highlighted the work to enhance the reliability of the Bulk Electric System during cold weather events.

Reliability Issues Steering Committee

Mr. Nelson Peeler, Committee Chair, provided an update on the activities of the Committee. He highlighted the Committee's approval of amendments to its Charter and work planning for the RISC Reliability Leadership Summit in 2021.

Compliance and Certification Committee

Ms. Jennifer Flandermeyer, Committee Chair, referred to the written report included in the advance agenda package, highlighting the Committee's approval of the Reliability and Security Technical Committee (RSTC) as a Prequalified Organization to submit implementation guidance.

Electricity Subsector Coordinating Council

Mr. Robb reported on recent Electricity Subsector Coordinating Council activities, including coordinating with government agencies and work amid COVID-19.

Forum and Group Reports

North American Energy Standards Board

Michael Desselle, Chair of the NAESB Board of Directors, discussed NAESB's work and the Commission's July 16, 2020 notice of proposed rulemaking regarding NAESB's business practice standards.

North American Transmission Forum

Tom Galloway, Forum President and Chief Executive Officer, referenced the written report and highlighted certain items, including the Forum's response to COVID-19 challenges; and collaboration with NERC, ReliabilityFirst, and SERC to advance Forum and ERO Enterprise mutual objectives, leverage respective strengths, and minimize duplication of efforts on facility ratings accuracy and supply chain risk management.

North American Generator Forum

Mr. Thilly noted that Allen Schriver, Forum Chief Operating Officer, did not plan to make a verbal report but is available for questions on his written report, included in the advance agenda package.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary

Compliance and Certification Committee (CCC) Membership

Action

Approve

Background

The CCC is recommending that the Board of Trustees approve the following membership appointments for a three-year term beginning January 1, 2021 – December 31, 2023.

- Jodirah (Jody) Green, ACES, Electricity Marketer
- Jennifer Flandermyer, Evergy, Investor-Owned Utility
- Patricia (Patti) Metro, NRECA, Transmission-dependent Utility
- Scott Tomashefsky, Northern California Power Agency, State/Municipal Utility
- Matthew F. Goldberg, ISO New England, ISO/RTO
- Patricia Robertson, BC Hydro, Federal Or Provincial Utility/Power Marketing Administration
- Kristine Bienert, CAMPUS, Canadian Provincial
- Anna Le, Canada Energy Regulator (CER), Canadian Federal
- Zachary Heidemann, Michigan Public Service Commission, U.S. State
- William H. Chambliss, Virginia State Corporation Commission, U.S. State
- Mark E. Buchholz, Western Area Power Administration, At-large*
- Mahmood Safi, Omaha Public Power District (OPPD), At-large*
- Rene' L. Free, South Carolina Public Service Authority, At-large*
- Ellen Watkins, Sunflower Electric Power Corporation, At-large*
- Tim Self, Southern Company, At-large*

*Contingent on FERC approval of the revised CCC Charter

Personnel Certification Governance Committee Membership

Action

Approve

Background

Personnel Certification Governance Committee (PCGC) presents to the Board of Trustees the following membership updates for their approval.

Summary

Membership changes:

- Vice Chair approval – Mike Hoke, PJM
 - Replacing Margaret Quispe, SPP. Margaret is resigning as vice chair of the PCGC as of December 31, 2020.
- New member approval – Steven Rainwater, ERCOT
 - Filling the opening that was created in the PCGC membership when Margaret Quispe resigned as vice chair from the PCGC.
- Due to PCGC members' two-year terms expiring December 31, 2020, the following membership renewals are requested with terms ending December 31, 2021:
 - Don Urban, Principal Analyst, ReliabilityFirst
- Due to PCGC members' two-year terms expiring December 31, 2020, the following membership renewals are requested with terms ending December 31, 2022:
 - Cory Danson, Technical Writer/Ops Compliance, WAPA
 - Mark Thomas, Manager, NERC/CIP Compliance, Entergy
 - Marty Sas, Senior Lead Engineer, RAPA & Technical Services, SERC

Project 2019-03 Cyber Security Supply Chain Risks

Action

Adopt the following standards documents and authorize staff to file with applicable regulatory authorities:

- Reliability Standard - CIP-005-7 - Cyber Security – Electronic Security Perimeter(s)
[\[CIP-005-7 Standard\]](#) [\[Redline to last approved\]](#)
- Reliability Standard - CIP-010-4 - Cyber Security – Configuration Change Management and Vulnerability Assessments
[\[CIP-010-4 Standard\]](#) [\[Redline to last approved\]](#)
- Reliability Standard - CIP-013-2 – Cyber Security – Supply Chain Risk Management
[\[CIP-013-2 Standard\]](#) [\[Redline to last approved\]](#)
- Implementation Plan
[\[Implementation Plan\]](#)
- Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs)
[\[VRF/VSL Justification\]](#)
- Retirements
[\[CIP-005-6 - Cyber Security – Electronic Security Perimeter\(s\)\]](#)
[\[CIP-010-3 - Cyber Security – Configuration Change Management and Vulnerability Assessments\]](#)
[\[CIP-013-1 – Cyber Security – Supply Chain Risk Management\]](#)

Background

This project addresses the directive issued by the Federal Energy Regulatory Commission (FERC) in Order No. 850 to modify the Supply Chain Standards (CIP-005-6, CIP-010-2, and CIP-013-1). FERC directed NERC to submit modifications to address Electronic Access Control or Monitoring Systems (EACMS), specifically those EACMS that provide electronic access control to high and medium impact BES Cyber Systems. FERC directed NERC to submit the modified Reliability Standards for approval within 24 months from the effective date of Order No. 850. In addition, NERC also recommended revising the Supply Chain Standards to address Physical Access Control Systems (PACS) that provide physical access control (excluding alarming and logging) to high and medium impact BES Cyber Systems. The modifications to address PACS do not have a regulatory deadline but were addressed by this project.

Summary

To address the inclusion of EACMS and PACS, the standard drafting team added a new Requirement R3 in CIP-005-7 to require a method(s) to determine, as well as terminate, authenticated vendor-initiated remote connections. The modifications in CIP-010-4 are limited to Requirement R1, Part 1.6 with the addition of EACMS and PACS to the applicable systems

column. Finally, the modifications in CIP-013-2 added EACMS and PACS in each entity's supply chain cyber security risk management plan under Requirement R1.

Standards Development Process

The proposed Supply Chain Standards were posted for an initial ballot and two additional ballots. The initial 45-day formal comment period and ballot was from January 27 to March 11, 2020. The initial ballot received a 50.51 percent approval and 88.67 percent quorum. The standard drafting team conducted an additional 45-day formal comment and ballot from May 7 to June 22, 2020. The additional ballot received a 34.44 percent approval and 79 percent quorum. The standard drafting team revised the standards based on comments received and posted the standards for a second additional 45-day formal comment period and ballot from July 28 to September 10, 2020. The second additional ballot received an 80.78 percent approval and 81 percent quorum. In addition, VRF/VSL non-binding poll received a 76.97 percent approval and 77.43 percent quorum. The standard drafting team conducted a final ballot from October 7 to October 16, 2020 and received 76.76 percent approval and 83.56 percent quorum.

Minority Issues

None.

Pertinent FERC Directives

FERC Order No. 850 paragraph 5:

“... pursuant to section 215(d)(5) of the FPA,¹⁴ the Commission directs NERC to develop modifications to include EACMS associated with medium and high impact BES Cyber Systems within the scope of the supply chain risk management Reliability Standards. We direct NERC to submit the directed modifications within 24 months of the effective date of this final rule.”

Cost Effectiveness

The standard drafting team sought stakeholder input on the cost effectiveness of the proposed standards during the formal comment periods. The standard drafting team received multiple answers that indicated disagreement with the FERC directive and NERC Supply Chain Report proposing modifications to standards that had not yet gone into effect.

Additional Information

A link to the project history and files is included here for reference:

[\[Project 2019-03 Cyber Security Supply Chain Risks\]](#)

2021-2023 Reliability Standards Development Plan

Action

Approve the 2021-2023 Reliability Standards Development Plan (RSDP) and authorize NERC staff to file with the applicable regulatory authorities.

Background

Pursuant to section 310 of the NERC Rules of Procedure, NERC is required to develop and provide an annual RSDP to the applicable governmental authorities. The 2021-2023 RSDP includes time frames and anticipated resources for each project under development or anticipated to begin by the end of the year.

A draft RSDP was posted for a public comment period from August 11, 2020 through September 9, 2020. The SC endorsed the RSDP at its September 24, 2020 meeting. In the event a Standards Authorization Request or FERC directive is received prior to submitting the RSDP to the applicable governmental authorities, the document will be updated appropriately. NERC and the Standards Committee will continue to work with NERC committees and task forces to bridge any potential reliability gaps and risks.

Additional Information

A link to the proposed RSDP is included for reference: [2021-2023 RSDP](#).

Reliability Standards Development Plan

2021-2023

November 5, 2020

RELIABILITY | RESILIENCE | SECURITY



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Background

As described herein, this Reliability Standards Development Plan (RSDP) builds upon the goals of the previous RSDPs. Pursuant to Section 310 of the NERC Rules of Procedure, NERC is required to develop and provide to applicable governmental authorities an annual RSDP for Reliability Standards development. Each annual RSDP must include a progress report comparing results achieved to the prior year's RSDP. NERC is required to consider the comments and priorities of the applicable governmental authorities in developing and updating the annual RSDP. NERC also provides the RSDP to the NERC Standards Committee (SC) for review and posts the RSDP for industry comment.

Executive Summary

This 2021-2023 RSDP provides insight into standards development activities anticipated at the time of publication, so that stakeholders may make available resources needed to accomplish the standards development objectives. Additional activities such as Requests for Interpretation and Regional Variance development may impact the plan, but are not included at this time. In order to help the industry understand resource requirements for each project, the RSDP now shows time frames and anticipated resources for each project under development.

This RSDP recognizes the diligent work over the last few years in transforming the body of NERC Reliability Standards into a mature state while shifting the focus of the standards program to Periodic Reviews, Federal Energy Regulatory Commission (FERC) directives, emerging risks, Standard Authorization Requests (SARs), and the Standards Efficiency Review (SER). This RSDP also contemplates that the work of the Reliability and Security Technical Committee (RSTC) and working groups thereunder may result in more SARs and subsequent standards projects.

Periodic Reviews and initiatives such as any further SER phases, also enable NERC to identify requirements that do little to promote reliability, and should therefore be retired. Periodic Reviews will occur at a measured pace compared to the level of activity and pace of standards development during recent years. Additionally, Periodic Reviews will be aligned with the strategic consideration of reviewing standard families that are interrelated.¹ Also, the Standards Grading efforts for 2020 will pause until 2021 to allow industry to focus on business continuity efforts in light of the recent Covid-19 pandemic.

While most of the work in the next three years will focus on new SARs, Periodic Reviews, SER implementation, and Standards Grading, there may be new or emerging risks identified that could generate new standards development projects. NERC will continue to seek input and recommendations from the Reliability Issues Steering Committee (RISC) with regard to emerging or potential risks to Bulk Electric System (BES) reliability that may require revisions to existing standards or new standards development.

To help determine impact of potential risk to BES reliability, NERC will use a variety of feedback mechanisms, including but not limited to, the Compliance Monitoring and Enforcement Program, RISC profiles, Events Analysis, and Compliance violation statistics, as well as any published “Lessons Learned.” The Regional Entities also have feedback mechanisms in place to solicit comments from industry and to help identify approaches to meet concerns and provide input to the standards. Input into standards will also continue to be coordinated with the North American Energy Standards Board as appropriate. In assessing feedback to create new or revised standards, NERC will focus on risk, reliability or security data, and enforcement information to determine whether a standard revision is the best tool to initially address the reliability risk.

¹ The Periodic Review standing review team grades the standards prior to conducting Periodic Reviews. The team includes representatives from NERC, the Regional Entities, and RSTC. If the standard is revised through the standard development process in response to a Periodic Review recommendation(s), the Periodic Review standing review team will re-grade the standard with the revised language.

Progress Report

Pursuant to Section 310 of the NERC Rules of Procedure, NERC offers the following progress report on Reliability Standards development.

FERC Directives

As of June 30, 2020, there are four² outstanding directives being resolved through the standards development process. The status of the Standards directives are reported quarterly to the NERC Board of Trustees (Board).

Continuing Projects

One project, Project 2019-05 [Modifications to PER-003-2](#), that commenced in 2019 is currently on hold pending further action from the Personnel Certification and Governance Committee (PCGC). All of the other projects from the previous RSDP are complete or expected to be complete this year, except the following, which will continue into 2021:

1. Project 2016-02 [Modifications to CIP Standards](#) (virtualization)
2. Project 2017-01 [Modifications to BAL-003-1.1](#) (phase 2)
3. Project 2019-04 [Modifications to PRC-005-6](#)
4. Project 2019-06 [Cold Weather](#)
5. Project 2020-01 [Modifications to MOD-032-1](#)
6. Project 2020-02 [Transmission-connected Dynamic Reactive Resources](#)
7. Project 2020-03 [Supply Chain Low Impact Revisions](#)
8. Project 2020-04 [Modifications to CIP-012](#)
9. Project 2015-09 [Establish and Communicate System Operating Limits](#)
10. Project 2019-02 [BES Cyber System Information Access Management](#)

Additional project information is available on the NERC website on the Standards web page.³ Also, the SER completed an initial assessment of the entire body of standards in 2018 prior to initiating the Standards development process to consider any changes to the body of Reliability Standards in 2019. The first phase of Standards retirements for SER have been completed, and any future development will continue into 2021.

The following projects have been or are planned to be completed in 2020 (actual and anticipated Board adoption dates are noted):

1. Project 2017-07 Standards Alignment with Registration (adopted by the NERC Board in February 2020)
2. Project 2018-04 Modifications to PRC-024-2 (adopted by the NERC Board in February 2020)
3. Project 2019-01 Modifications to TPL-007-3 (adopted by the NERC Board in February 2020)

² The following projects are currently modifying standards to address directives: 1) Project 2015-09 Establish and Communicate System Operating Limits (communication of IROLs); 2) Project 2019-03 Cyber Security Supply Chain Risks (inclusion of EACMs in Supply Chain Reliability Standards); and 3) 2020-04 Modifications to CIP-012 (requirement for protections regarding the availability of communication links and data communicated between bulk electric system Control Centers). The fourth directive is a requirement to submit project schedules for two ongoing CIP projects.

³ As of the date of publication, the subject web page resides at <http://www.nerc.com/pa/Stand/Pages/default.aspx>.

4. Project 2016-02 Modifications to CIP Standards (modifications to CIP-002 to address Transmission Owner Control Centers adopted by the NERC Board in May 2020)
5. Project 2019-03 Cyber Security Supply Chain Risks (projected to be adopted November 2020)

2021 Projects

Projects Continuing into 2021

In determining high, medium, or low priority designations for projects as listed in this RSDP, the following factors were taken into consideration:

1. Outstanding regulatory directives with filing deadlines (High Priority)
2. RISC category rankings of high impact with consideration of probability of occurrence (High or Medium Priority)
3. Potential reliability risks from stakeholders provided through feedback mechanisms (High, Medium, or Low Priority, based on the risk)
4. Outstanding regulatory directives without regulatory deadlines or “soft directives” such as considerations (High or Medium Priority)
5. Outstanding requirements that are known candidates for retirement (Medium or Low Priority)
6. Any known adverse content and quality assessments (likely Low Priority, as any reliability gaps identified have already been addressed)

High Priority

- Project 2019-06 [Cold Weather](#) (drafting estimated to be completed by December 2021 requiring approximately 10 industry subject matter experts for approximately 120 work hours each for the remaining part of this project)
- Project 2020-04 [Modifications to CIP-012](#) (drafting estimated to be completed by August 2021 requiring approximately 10 industry subject matter experts for approximately 100 work hours each for the remaining part of this project)
- Project 2020-03 [Supply Chain Low Impact Revisions](#) (drafting estimated to be completed by December 2021 requiring approximately 10 industry subject matter experts for approximately 120 work hours each for the remaining part of this project)

Medium Priority

- Project 2015-09 [Establish and Communicate System Operating Limits](#) (drafting estimated to be completed by February 2021) requiring approximately ten subject matter experts for approximately 10 work hours each for this project
- Project 2016-02 [Modifications to CIP Standards](#) (virtualization) (drafting estimated to be completed by December 2021 requiring approximately 11 industry subject matter experts for approximately 120 work hours each for the remaining part of this project)
- Project 2017-01 [Modifications to BAL-003-1.1](#) (phase 2) (drafting estimated to be completed by August 2021 requiring approximately ten subject matter experts for approximately 40 work hours each for this project)
- Project 2019-02 [BES Cyber System Information Access Management](#) (drafting estimated to be completed by May 2021) requiring approximately ten subject matter experts for approximately 40 work hours each for this project
- Project 2020-05 Modifications to FAC-001 and FAC-002 for material modifications to Facilities (drafting estimated to be completed by May 2021) requiring approximately ten subject matter experts for approximately 40 work hours each for this project)

- Project 2020-06 Modifications to MOD-026 and MOD-027 for inverter-based resources (drafting estimated to be completed by May 2021) requiring approximately ten subject matter experts for approximately 40 work hours each for this project)

Low Priority

- Project 2019-04 [Modifications to PRC-005-6](#) (drafting estimated to be completed by August 2021 requiring approximately eight subject matter experts for approximately 40 work hours each for this project)
- Project 2020-01 [Modifications to MOD-032-1](#) (drafting estimated to be completed by November 2021 requiring approximately 12 subject matter experts for approximately 40 work hours each for this project)
- Project 2020-02 [Transmission-connected Dynamic Reactive Resources](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)⁴

⁴ Another SAR related to this project is expected to be submitted to the Standards Committee later in 2020; therefore, the scope of this project is expected to change. The timeline for seating this drafting team and commencing work will be coordinated with the anticipated SAR.

Other Projects Continuing into 2021

NERC Reliability Standards Efficiency Review Continuation

In 2018, NERC began using both internal ERO Enterprise resources and industry resources to evaluate candidates for potential Reliability Standard retirements. NERC solicited industry participants to evaluate possible candidate requirements that may no longer be necessary to support reliability or address current risks to the Bulk Power System (BPS). Through open and transparent industry participation, the SER teams submitted a SAR to the SC in order to implement recommended changes to the body of Reliability Standards. The SAR was accepted at the August 2018 SC meeting, and the Project 2018-03 drafting team undertook the endeavor to revise a number of Reliability Standards for the suggested recommended retirements.⁵

For Phase 2 of the SER project, the working team submitted a Standards Authorization Request to NERC for the Simplification of Data Exchange Requirements. NERC is currently reviewing the SAR, and will recommend next steps later in 2020. Additionally, the CIP SER has reviewed industry comments of recommended retirements and the team will continue its work into 2021.

NERC will continue to coordinate with the industry team to ensure all of the information developed through previous Standards Grading efforts, which includes consideration of content, quality, cost, and reliability impact analysis, align with the SER projects.

Other Projects Commencing

Currently, no Reliability Standards are due for periodic review in 2020. The Periodic Reviews will coordinate timing with any subsequent phases of the SER project to ensure the initiatives work together to review the standards that may need to be modified. Additionally, SARs, emerging risks to the BPS, and FERC regulatory directives that may occur subsequent to publishing this RSDP may prompt additional projects through 2020. Several projects are anticipated based on SARs being developed at the RSTC. Finally, as noted above, the Standards Grading effort will resume in 2021 and will be attached in the corresponding RSDP.

⁵ The same drafting team will work to address a potential FERC remand of proposed FAC-008-4 pursuant to *Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Review* 172 FERC ¶ 61,225 (2020).

2021 ERO Enterprise Work Plan Priorities

Action

Approve

Summary

The proposed 2021 Work Plan Priorities identifies key accomplishments that align closely with the [ERO Enterprise Long-Term Strategy](#). Once approved, NERC management will track and report on these priorities throughout the year.

NERC Cold Weather Preparation Activities

Action

Update

Background

NERC has taken a multi-faceted approach to address the reliability risks presented by cold weather. NERC has been collecting and sharing information on cold weather preparation and bulk power system impacts through webinars, Special Reports, Lessons Learned, Failure Modes and Mechanisms, and other resources. The Generating Unit Winter Weather Readiness Reliability Guideline is currently in the comment phase of its third tri-annual review and was discussed in the 2020 Winter Weather Webinar.

Additionally, NERC initiated a standard development project, Project 2019-06 Cold Weather, to address recommendation 1 of the FERC and NERC staff report titled: *The South Central United States Cold Weather Bulk Electronic System Event of January 17, 2018* ([Report Link](#)). This project has been the source of much contention since its inception. The Standard Authorization Request (SAR) was initially rejected by the Standards Committee (SC) in September 2019, but was eventually approved for posting during an October 2019 special call. Since then, the SAR drafting team has developed three iterations of the SAR attempting to find a “middle ground” with those in industry who oppose the project. A final SAR was accepted by the SC on September 24, 2020, and a standard drafting team was appointed and authorized to begin standard drafting.

Additional Information

More information on Project 2019-06 is available at: 2019-06 [Cold Weather](#).

Additional information on Cold Weather Reports and Training Materials can be found [on this site](#).

The Winter Weather Webinars from 2012 – 2020 can be found [on this site](#), and the Annual Winter Reliability Assessments 2003/2004 thru 2019/2020 can be found [on this site](#).

2020-21 Winter Reliability Assessment Preview

Action

Review

Background

The NERC 2020-21 Winter Reliability Assessment (WRA) identifies, assesses, and reports on areas of concern regarding the reliability of the North American bulk power system (BPS) for the upcoming winter season. In addition, the WRA will present peak electricity supply and demand changes, as well as highlight any unique regional challenges or expected conditions that might impact the BPS. The reliability assessment process is a coordinated reliability evaluation between the Reliability Assessment Subcommittee (RAS), the Regional Entities, and NERC staff.

The final report reflects NERC's independent assessment and is aimed at informing industry leaders, planners and operators, as well as regulatory bodies so that they can be better prepared to take necessary actions to ensure BPS reliability. The report also provides an opportunity for the industry to discuss their plans and preparations for ensuring reliability throughout the upcoming winter period.

Pursuant to delegated authority from the Board of Trustees, NERC management expects to issue the 2020-21 Winter Reliability Assessment on or about November 13, 2020. The review schedule below identifies key milestones for the report.

2020-21 Winter Reliability Assessment Review Schedule	
Date	Description
October 21	Draft sent to NERC Reliability and Security Technical Committee (RSTC)
November 4	Report sent to NERC Executive Management
November 9	Final report sent to NERC Board and MRC
November 13	Report release

2020 Long-Term Reliability Assessment Preview

Action

Review

Background

The Long-Term Reliability Assessment (LTRA) is developed annually by NERC in accordance with the Electric Reliability Organization's (ERO) Rules of Procedure and Section 215 of the Federal Power Act, which instructs NERC to conduct periodic assessments of the North American bulk power system (BPS). The reliability assessment process is a coordinated reliability evaluation between the Reliability Assessment Subcommittee (RAS), the Regional Entities, and NERC staff. The scope of the LTRA includes the following:

- Review, assess, and report on the overall electric generation and transmission reliability (adequacy and operating reliability) of the interconnected BPS, both existing and as planned.
- Assess and report on the key issues, risks, and uncertainties that affect or have the potential to affect the reliability of existing and future electric supply and transmission.
- Review, analyze, and report on self-assessments of electric supply and bulk power transmission reliability, including reliability issues of specific Regional concern.
- Identify, analyze, and project trends in electric customer demand, supply, and transmission and their impacts on BPS reliability.
- Investigate, assess, and report on the potential impacts of new and evolving electricity market practices, new or proposed regulatory procedures, and new or proposed legislation (e.g. environmental requirements) on the adequacy and operating reliability of the BPS.

Summary

The electricity industry provided NERC with resource adequacy projections for the 2021–2030 assessment period. NERC independently assessed these projections and has identified key findings and recommendations. The 2020 LTRA also includes NERC's biennial Probabilistic Assessment, which provides insights into the ability of the future resource mix to meet the projected demand at all hours. The LTRA draft report will be provided to the NERC Board of Trustees (Board) and Member Representatives Committee (MRC) in November, per the schedule below.

2020 Long-Term Reliability Assessment Review Schedule	
Date	Description
October 7	Draft sent to NERC Reliability and Security Technical Committee (RSTC)
November 24	Report sent to MRC and NERC Board
December 10	NERC Board Conference Call to accept the report
December 17	Report release

**Reliability and Security Technical Committee and Reliability Issues Steering
Committee Joint Presentation**

Action

Review

Summary

The Reliability and Security Technical Committee (RSTC) and Reliability Issues Steering Committee (RISC) Chairs will provide a joint presentation on the coordination process between the RSTC and RISC to address the following areas, which are further defined in the Notional RSTC Work Product Process (**Attachment 1**), approved by the RSTC at their September 15, 2020 meeting.

1. Risk Identification and Validation
2. Reliability Risk Prioritization
3. Remediation & Mitigation Identification & Evaluation
4. Deploy Mitigations
5. Measure Success
6. Residual Risk

Attachment 1

Notional RSTC Work Product Process		
Activity	Group	Description
Risk Identification and Validation	Technical group ¹	<p>Prepare a technical justification that documents the technical need and banding for an identified reliability or resilience issue. Banding includes answering the following questions:</p> <ul style="list-style-type: none"> • What is the technical issue and how does it impact the reliability of the BPS? • How this is within current scope of ERO goals and objectives? • What is the involvement required from other ERO functional groups? • What is the level of current technical awareness in industry? <ul style="list-style-type: none"> ▪ What subject-matter expertise has been involved, or is needed to be involved in order to comprehensively understand the issue? <p>Provide the technical justification to the RSTCEC. (Normally considered at next monthly RSTCEC web meetings) The RSTCEC will also have discussions with RISC leadership to coordinate risk identification and validation.</p>
Risk Prioritization	RSTCEC and Sponsors	Prioritizing risks is accomplished through an analysis of their exposure, scope, and duration as well as impact and likelihood. Among other sources, the RISC Report identifies and prioritizes short-term and long-term risks to reliability. The RSTC will incorporate the prioritized risks into the annual work plan.
Remediation and Mitigation Identification and Evaluation	Technical group, RSTCEC and Sponsors	<p>Technical group, RSTCEC and Sponsors discuss the reliability / resilience issue, technical justification, and consider potential solutions. Potential outcomes or solutions include deliverables in the RSTC Charter such as white papers, reference documents, technical reports, reliability guidelines, and compliance implementation guidance.² Other potential solutions are contained in NERC Rules of Procedure (RoP), ERO Event Analysis Process, NERC Alerts, and other risk management measures. The RSTCEC authorizes tasks to be added to the RSTC Work Plan (which could include collaboration with other groups), rejects proposed tasks, or refers matter(s) to the RSTC for further discussion.</p> <p>Technical group provides updates on progress by:</p> <ul style="list-style-type: none"> ▪ Reviewing and updating the RSTC Work Plan (monthly) ▪ Presenting updates to the RSTCEC (monthly webex meeting; leaders can update more often if necessary) <ul style="list-style-type: none"> ▪ Presenting updates to the RSTC (Quarterly in-person meeting)

¹ Risks to be addressed by the RSTC could come from an existing Technical Group, or other sources (e.g., an individual, other ERO committee, ERO governing body, or stakeholder group). When necessary, the RSTCEC can assign a Technical Group to support development of a technical justification.

² See the RSTC Charter, Section 8, for a description of RSTC deliverables.

		<p>The RSTC and will communicate with the RISC to inform of actions being taken.</p> <p>When the technical group has completed a draft deliverable, it will be presented to the RSTCEC for assignment to the RSTC meeting schedule as a review item. Deliverables are reviewed as follows:</p> <ul style="list-style-type: none"> ▪ Reliability Guidelines must be posted for 45-day stakeholder comment period³ ▪ Other deliverables are normally assigned to RSTC members for review <p>Technical groups review each comment received, consider revisions to the deliverable, and prepare a response matrix for the RSTC and stakeholders.</p>
RSTC Deploy Mitigation⁴	RSTC and Sponsor	When the technical group has completed review and revisions, the draft deliverable shall be presented to the RSTCEC by the Sponsor for assignment to the RSTC meeting schedule for final action. ⁵ Once the RSTC has approved, endorsed or accepted the deliverable(s), it (they) will be implemented for industry action.
Measure Success	RSTC, RISC and ERO	Once a solution(s) has been deployed, the effectiveness of the mitigation must be measured to determine if the residual risk has achieved an acceptable level. The RSTC will evaluate mitigation strategies/plans for effectiveness and discusses with the RISC, highlighting any necessary next steps.
Monitor Residual Risk	RSTC, RISC and ERO	Once the level of residual risk is at an acceptable level, the risk is monitored through ongoing performance measures to ensure that risk remains at acceptable risk levels. The residual risk should be monitored for progress and to ensure that the mitigations that are in place continue to address the risk. The RSTC will continue to coordinate with the RISC on maintaining an acceptable level of residual risk.

³ Reliability Guidelines receive special vetting in the RSTC charter. The process for review, approval, and updating of Reliability Guidelines is specified in the Charter, Section 8.

⁴ RSTC actions on deliverables are described in the Charter, Section 8.

⁵ Both the RSTC and the RSTCEC are authorized to act between regularly scheduled meetings. Provisions are described in the Charter, Section 4. Due to the need for flexibility in the review and approval process, timelines are provided as guidelines to be followed by the committee and its subgroups. A default review period of no less than 10 business days will be provided for all committee deliverables. Requests for exceptions may be brought to the RSTC at its regular meetings or to the RSTCEC if the exception cannot wait for a RSTC meeting. In all cases, a final report may be considered for approval, endorsement, or acceptance if the RSTC or RSTCEC, as outlined above, decides to act sooner.

Personnel Certification Governance Committee Report

Action

Information

Background

Personnel Certification Governance Committee (PCGC) regular update to the Board of Trustees.

Summary

PCGC's second quarter meeting held on August 17-21, 2020 via WebEx.

Highlights from the August PCGC meeting include the following items:

- Continuing research on the cybersecurity safety on remote proctoring for System Operator (SO) exams
- Voted to retain the 42-day wait rule between exams

Future items

- Beginning in November, PCGC will begin review of the current application and a new platform with Brightlink, the System Operator Certification and Continuing Education Database (SOCCED) vendor, regarding moving SOCCED to the vendor's main platform in order to gain advantage of the main platform enhancements and additional functionality.

Standards Committee Report

Action

Information

Background

This report highlights some of the key activities of the Standards Committee (SC) during the third quarter of 2020. A special election was held in August 2020 to fill a vacancy in Segment 6, which elected Sarah Snow of Cooperative Energy. Attached is the SC Quarterly Report highlighting additional Standards activities over the last quarter.

At its July 22 meeting, the SC:

- Appointed additional members for Project 2019-06 Cold Weather Standard Authorization Request (SAR) drafting team (DT), as recommended by NERC staff; and
- Appointed chair, vice chair, and members to the Project 2020-03 Supply Chain Low Impact Revisions SARDT as recommended by NERC staff, and authorized soliciting additional nominations for Project 2020-03 Supply Chain Low Impact Revisions SAR drafting team for a 15-day nomination period to gain additional representation by low-impact entities.

The August 19 meeting was cancelled due to lack of time sensitive agenda items.

On September 24, the SC and Compliance and Certification Committee (CCC) held a joint meeting and discussed a variety of topics of shared interest including:

- Reliability and Security Technical Committee Organizational Structure and Process;
- Align Implementation;
- Functional Model Task Force;
- NERC Internal Audit of Reliability Standards Development Program;
- NERC Report on Cloud and Virtualization;
- Standards Efficiency Review;
- SC and CCC Work Plan Highlights; and
- NERC 2021 Compliance and Standards Outreach.

At its September 24 meeting, the SC:

- Appointed members, chair, and vice chair to the SAR DT for Project 2020-04 Modifications to CIP-012, as recommended by NERC staff;
- Accepted the SAR revised by the Project 2019-06 Cold Weather SAR drafting team, appointed the current SAR drafting team as the Project 2019-06 Cold Weather Standard Drafting Team (SDT), and authorized drafting;

- Accepted the SAR to revise Reliability Standards FAC-001-3 and FAC-002-2 concerning the need to clarify the term “materially modified”; authorized posting of the SAR for a 30-day informal comment period; and authorized for solicitation of SAR DTDT members;
- Accepted the SAR to modify Reliability Standards MOD-026-11 and MOD-027-1 to clarify requirements related to inverter-based resources (IBRs) and require model verification, authorized posting of the SAR for a 30-day informal comment period, and authorized for solicitation of SAR DT members; and
- Endorsed the 2021-2023 Reliability Standards Development Plan.

Reliability Standards

Quarterly Report

November 5, 2020

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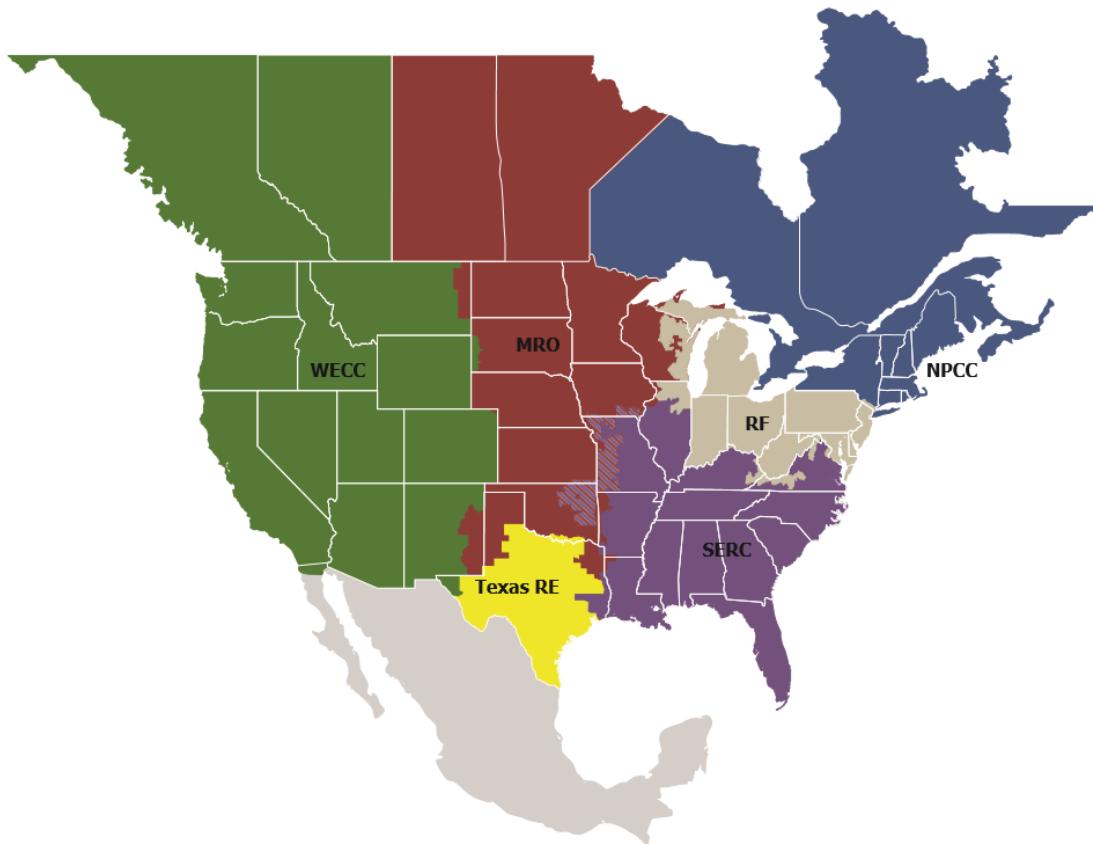
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Preface

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

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Chapter 1: Standards Development Forecast

Board Forecast for Standard Projects in Active Development

The following projections reflect anticipated Board adoption dates for continent-wide Reliability Standards.

November 2020

- Project 2019-03: Cyber Security Supply Chain Risks

February 2021

- Project 2015-09: Establish and Communicate System Operating Limits

May 2021

- Project 2019-02: BES Cyber System Information Access Management

August 2021 or after

- Project 2016-02: Modifications to CIP Standards (virtualization)
- Project 2017-01: Modifications to BAL-003-1.1 (phase 2)
- Project 2019-04: Modifications to PRC-005-6
- Project 2019-06: Cold Weather Preparedness
- Project 2020-01: Modifications to MOD-032-1
- Project 2020-02: Transmission-connected Resources
- Project 2020-03: Supply Chain Low Impact Revisions
- Project 2020-04: Modifications to CIP-012-1

ANSI Reaccreditation

NERC filed for reaccreditation as a Standards Developer in accordance with the accreditation processes of the American National Standards Institute (ANSI) on July 1, 2019. NERC's request remains pending at this time.

Projects with Regulatory Directives

Table 1 below lists the current projects with regulatory directives. As of July 31, 2020, there are three standards-related directives to be resolved through standards development activities (not including non-standards related directives).¹

Table 1: Projects with Regulatory Directives		
Project	Regulatory Directives	Regulatory Deadline
Project 2015-09: Establish and Communicate System Operating Limits	1	N/A
Project 2020-04: Modifications to CIP-012-1	1	N/A

¹ A fourth directive requires NERC to file quarterly updates in the project schedules for Project 2016-02 Modifications to CIP Standards and Project 2019-02 BES Cyber System Information Access Management.

Periodic Review of Registered Ballot Body Qualification Guidelines and Rules for Joining Segments

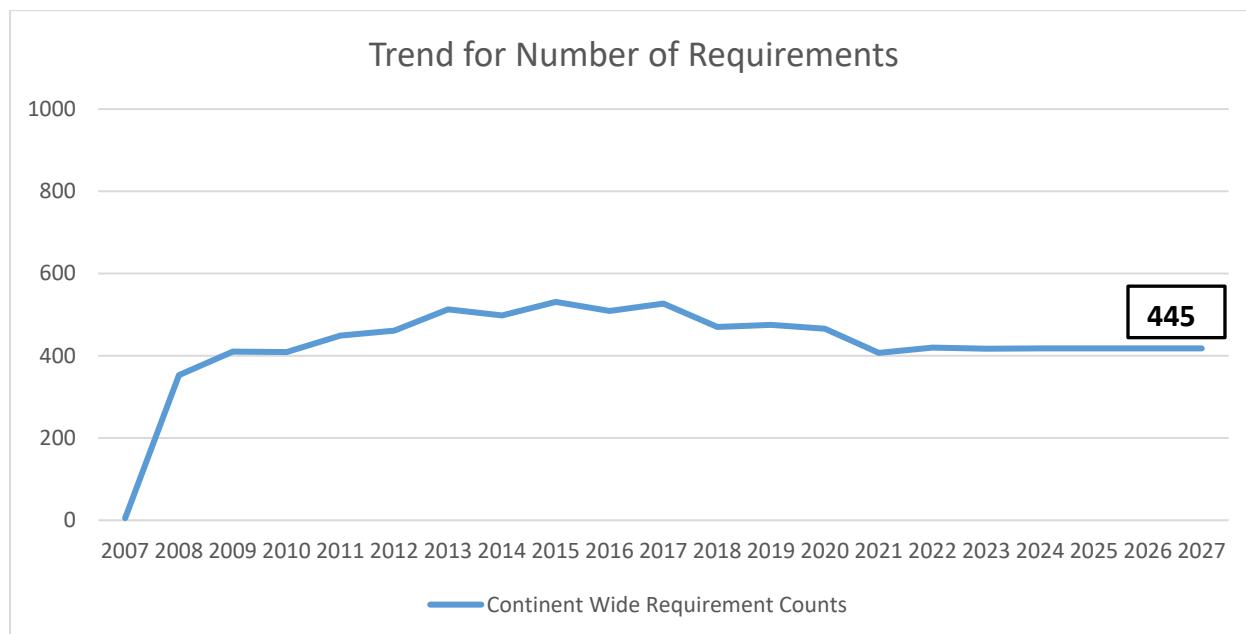
NERC staff intends to present a series of revisions to Section 300 and Appendix 3B and 3D to the Board in 2021, after the proposed changes have been posted for public comment.

Trend in Number of Reliability Requirements

As NERC Reliability Standards continue to mature, NERC analyzes the trend in the total number of requirements in the United States since 2007 when Reliability Standards became enforceable.

The *US Effective Date Status/Functional Applicability*² spreadsheet was used to analyze the number of requirements based on the U.S. Effective Date for each requirement shown in the charts below. Figure 1 displays the Trend in Number of Requirements for Continent-Wide standards, while Figure 2 displays Regional Reliability Standards.³ Standards with variances were not included in the requirement count. Projections from projects that include standards currently under development, board adopted standards and board approved retirements are also included in the total number of requirements based on their projected effective or inactive date.⁴

The trend for total number of requirements indicates a constant flat trend line for the last four years, with a significant decline from 2017 to 2018 for Continent-Wide standards, and a significant decline in total number of requirements from 2016 to 2017 for Regional Reliability Standards. Figure 1 indicates 445 Continent-Wide requirements; Figure 2 indicates 69 Regional Reliability Standards forecast for 2027.

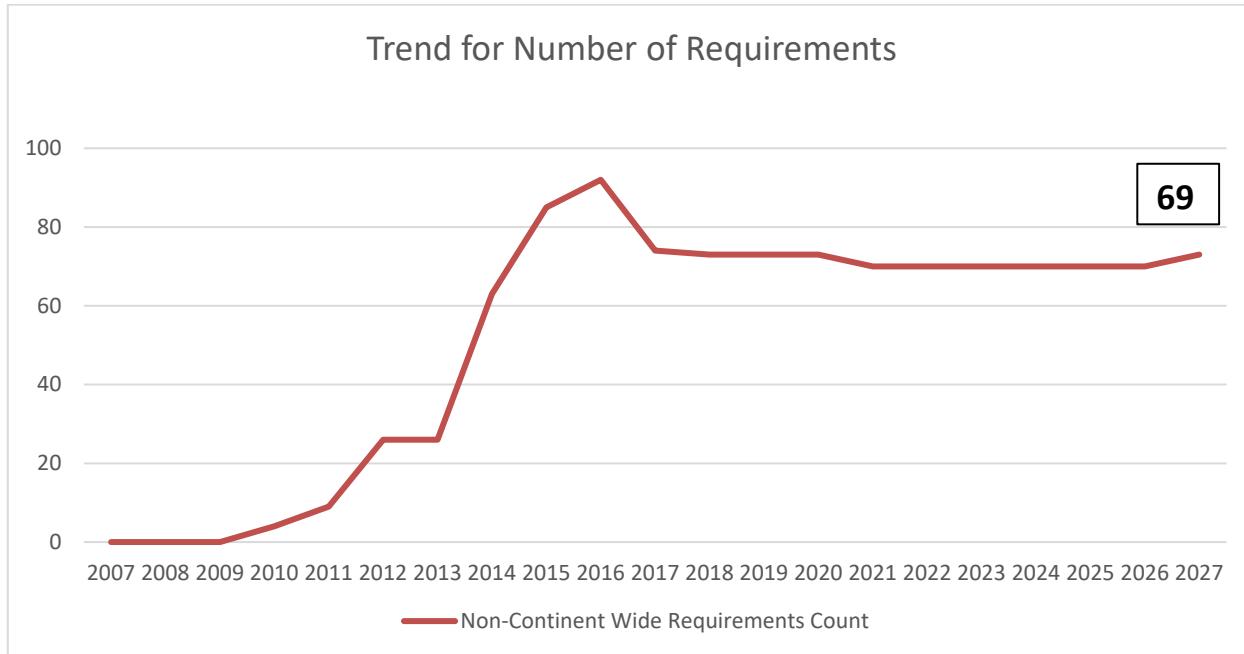


² Available from the Standards section of the NERC website: <http://www.nerc.com/pa/Stand/Pages/default.aspx>

³ Charts were developed using end of Q2 2020 data.

⁴ These projects include the following: Project 2015-09 (FAC-010-4, FAC-011-4, FAC-014-3), Project 2016-02 (CIP-003-7(i)), Project 2018-03 SER Retirements, Withdrawal of VAR-001-6.

Figure 2: Trend for Number of Requirements for Regional Reliability Standards



Chapter 2: Regulatory Update

NERC FILINGS July 1, 2020 – September 30, 2020

FERC Docket No.	Filing Description	FERC Submittal Date
RM20-8-000	<u>Comments Re: Virtualization and Cloud Computing NOI</u> NERC and the Regional Entities submit Joint Comments in response to FERC's Notice of Inquiry regarding the use of virtualization and cloud computing services.	7/1/2020
RM20-12-000	<u>Comments Re: Potential CIP Enhancements NOI</u> Joint comments of NERC and the Regional Entities in response to the FERC Notice of Inquiry regarding potential enhancements to the CIP Reliability Standards.	8/24/2020
RR20-7-000	<u>Petition for the Approval of Amendments to the NPCC Regional Standard Processes Manual</u> NERC submits a petition for approval of amendments to the NPCC Regional Standard Processes Manual.	9/10/2020
RD20-2-000	<u>CIP SDT Schedule September Update Informational Filing</u> NERC submits to FERC an informational compliance filing as directed by FERC in its February 20, 2020 Order. This filing contains a status update on two standards development projects relating to CIP Reliability Standards.	9/17/2020
RR10-1-000, RR13-3-000	<u>Annual Report of the NERC on Wide-Area Analysis of Technical Feasibility Exceptions</u> NERC submits to FERC the 2020 Annual Report of the Wide-Area Analysis of Technical Feasibility Exceptions in compliance with Paragraphs 220 and 221 of FERC's Order No. 706.	9/28/2020

FERC ISSUANCES
July 1, 2020 – September 30, 2020

FERC Docket No.	Issuance Description	FERC Issuance Date
RD20-7-000	<u>Order Approving Reliability Standard PRC-024-3</u> FERC issues a delegated letter order approving Reliability Standard PRC-024-3.	7/9/2020
RD20-9-000	<u>Delegated Letter Order Approving BAL-003-2</u> FERC issues a delegated letter order approving Reliability Standard BAL-003-2.	7/15/2020
RM20-19-000	<u>Supply Chain Notice of Inquiry</u> FERC seeks comments on the potential risks to the Bulk Electric System posed by the use of equipment and services produced or provided by certain entities identified as risks to national security. In addition, the Commission seeks comments on strategies to mitigate any potential risks posed by such telecommunications equipment and services.	9/17/2020
RM19-16-000, RM19-17-000	<u>Order on SER Retirements</u> FERC issues an order approving: (i) the retirement of FAC-013-2, INT-004-3.1, INT-010-2.1, and MOD-020-0 in their entirety; and (ii) revised Reliability Standards INT-006-5, INT-009-3, PRC-004-6, IRO-002-7, and TOP-001-5, in which NERC proposed to retire individual requirements from the currently effective standards. The Commission remanded proposed Reliability Standard FAC-008-4 for further consideration by NERC. The Commission deferred action regarding NERC's proposed retirement of the MOD A Reliability Standards pending the outcome of a separate proceeding involving business practice standards proposed by the North American Energy Standards Board (NAESB).	9/17/2020

Chapter 3: Standards Committee Report

Summary

This report highlights some of the key activities of the Standards Committee (SC) during the third quarter of 2020. A special election was held in August 2020 to fill a vacancy in Segment 6, which elected Sarah Snow of Cooperative Energy. Attached is the SC Quarterly Report highlighting additional Standards activities over the last quarter.

At its July 22 meeting, the SC:

- Appointed additional members for Project 2019-06 Cold Weather Standard Authorization Request (SAR) drafting team (DT), as recommended by NERC staff; and
- Appointed chair, vice chair, and members to the Project 2020-03 Supply Chain Low Impact Revisions SAR DT as recommended by NERC staff, and authorized soliciting additional nominations for Project 2020-03 Supply Chain Low Impact Revisions SAR drafting team for a 15-day nomination period to gain additional representation by low-impact entities.

The August 19 meeting was cancelled due to lack of time sensitive agenda items.

On September 24, the SC and Compliance and Certification Committee (CCC) held a joint meeting and discussed a variety of topics of shared interest including:

- Reliability and Security Technical Committee Organizational Structure and Process;
- Align Implementation;
- Functional Model Task Force;
- NERC Internal Audit of Reliability Standards Development Program;
- NERC Report on Cloud and Virtualization;
- Standards Efficiency Review;
- SC & CCC Work Plan Highlights; and
- NERC 2021 Compliance and Standards Outreach.

At its September 24 meeting, the SC:

- Appointed members, chair, and vice chair to the SAR DT for Project 2020-04 Modifications to CIP-012, as recommended by NERC staff;
- Accepted the SAR revised by the Project 2019-06 Cold Weather SAR drafting team, appointed the current SAR drafting team as the Project 2019-06 Cold Weather Standard Drafting Team (SDT), and authorized drafting;
- Accepted the SAR to revise Reliability Standards FAC-001-3 and FAC-002-2 concerning the need to clarify the term “materially modified”; authorized posting of the SAR for a 30-day informal comment period; and authorized for solicitation of SAR DT members;
- Accepted the SAR to modify Reliability Standards MOD-026-11 and MOD-027-1 to clarify requirements related to inverter-based resources (IBRs) and require model verification, authorized posting of the SAR for a 30-day informal comment period, and authorized for solicitation of SAR DT members; and
- Endorsed the 2021-2023 Reliability Standards Development Plan.

Compliance and Certification Committee (CCC) Board Report

Action

Approve

- The Committee approved one CCC Program Procedure, CCCPP-0011: Procedure to Become a Prequalified Organization (PQO). There is one substantive change to the procedure where the list of PQO was removed as it is listed on the NERC website – as the single source of information. Additional changes were largely administration or template adherence as a part of the periodic review process. This procedure is presented today and recommended for Board of Trustee consideration and approval.

Highlights

The CCC convened its third quarter meeting via WebEx on September 23-24, 2020 which included a joint session with the Standards Committee. We were honored to have Ms. Jan Schori, NERC Board of Trustee, attend our meeting to share her thoughts with the Committee members reinforcing the maturity of the committee's collaboration with NERC. Ms. Schori has been a strong supporter and good friend to the Committee. We appreciate her dedication to the industry and to NERC over her years serving as a Trustee and wish her well in her new adventures.

- In response to the May 2020 approval of the revised CCC Charter by the Board of Trustees, the Committee has called for nominations from both Sector seats and Members-At-Large. The Nominating Subcommittee is processing nominations and preparing members for Board of Trustees consideration in November. As some of these activities remain pending FERC approval at this time, there could be adjustments to the process or members pending appointment prior to the November Board meeting.
- The CCC's ERO Monitoring Subcommittee (EROMS) continues work on the revised stakeholder feedback approach regarding the Compliance Monitoring and Enforcement Program (CMEP), Organization Registration and Certification Program (ORCP) and Reliability Standards Development Program. We anticipate a presentation of the revised Stakeholder feedback program approach at the November CCC meetings. The CCC intends for further engagement with the subgroup of the MRC as well as other stakeholder groups or industry organizations as a continuing part of the revised Stakeholder feedback model.
- The CCC collaborates with NERC Internal Audit to fulfill its role of oversight and monitoring. There are two projects in progress and completion is projected for the fourth quarter. First, consistent with CCCPP-001 and CCCPP-007, the self-certification request to NERC management for the Compliance Monitoring and Enforcement Program, Organization Registration and Certification Programs has been received and is pending review. Second, the audit of NERC's adherence to the Rules of Procedure in Reliability Standards Development is nearing completion. Both reports are expected to be delivered to the EWRC in February.

- The CCC's Organization and Registration Subcommittee (ORCS) worked with NERC Management to receive updates and provide input on several topics across the ERO. Those topics, while not an exhaustive list, included Registration and Hybrid Resources, ERO Certification Program, Rules of Procedure changes and ERO Process Documentation Review Efforts.
- The AWG continues its review of ongoing activities and program alignment submissions by ERO Stakeholders. In addition, AWG members provided additional input on:
 - Draft CMEP Practice Guides,
 - Compliance Oversight Plan (COP) Frequently Asked Questions, and
 - Align Users Committee Charter.
- In July 2020, the CCC created a new task force to further support its role to provide stakeholder feedback to the Electric Reliability Organization (ERO) related to Enterprise Programs, Standards adherence, and Enterprise Tools. The Functional Model Task Force (FMTF) will execute the CCC's role to identify and address potential gaps with the archival of the Functional Model (FM) and consider of the robustness of the Registry Criteria related to functional registration tasks and obligations. The FMTF will collaborate with the ERO on these activities to ensure an open and transparent discussion is available for industry on the subject matter. This task force fulfills a Committee obligation from a Standards Committee action to archive the FM and Functional Model Technical Documents (FMTD) in September 2019. At that time the CCC and SC leadership committed to the creation of the task force and has participation from both committees.
- The Committee received updates on several initiatives from NERC management and conducted associated discussions. The topics included a status update on the following:
 - upcoming Rules of Procedure changes,
 - Align and SEL Project,
 - Compliance Oversight Plans,
 - ERO Outreach plans,
 - Virtualization and Cloud Use, and
 - Five Year Performance Assessment filing.

The next CCC meeting will be November 17-18, 2020 via WebEx. We appreciate the continued collaboration with NERC management in support of the Committee's efforts.

Procedure to Become a Prequalified Organization for Implementation Guidance~~Eligible to Submit~~ ~~Implementation Guidance to~~ ~~the ERO~~

CCC Monitoring Program – CCCPP-011-2

June 2019 Month, Day, Year

RELIABILITY | ACCOUNTABILITY



3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com

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Preface

The North American Electric Reliability Corporation (NERC) is a not for profit international regulatory authority whose mission is to ensure the reliability of the bulk power system (BPS) in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the BPS through system awareness; and educates, trains, and certifies industry personnel. NERC's area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the electric reliability organization (ERO) for North America, subject to oversight by the Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada. NERC's jurisdiction includes users, owners, and operators of the BPS, which serves more than 334 million people.

The North American BPS is divided into six Regional Entity (RE) boundaries as shown in the map and corresponding table below:



The North American BPS is divided into six Regional Entity (RE) boundaries. The highlighted areas denote overlap as some load-serving entities participate in one Region while associated transmission owners/operators participate in another.

MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Introduction

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In the capacity of a NERC [Board of Trustees](#) (Board)-appointed stakeholder committee serving and reporting directly to the Board under a [NERC](#)-Board-approved charter,¹ as approved by FERC,² and as set forth in the Rules of Procedure (ROP); the CCC will engage with, support, and advise the Board and [its Compliance Committee](#) [NERC Board of Trustees Compliance Committee](#) (BOTCC) regarding all facets of the NERC [the NERC Compliance Monitoring Enforcement Program \(CMEP\)](#), [Registration program](#), and [Certification program](#)[CMEP](#), [Registration program](#), and [Certification program](#).

In accordance with action taken by the NERC Board on November 5, 2015, the CCC was asked to play a lead role in developing tools and procedures that will promote a common understanding among the industry and ERO Enterprise Staff regarding how compliance can be achieved and demonstrated. Key to this effort is the development of Implementation Guidance, a stakeholder-driven means for registered entities to develop examples of approaches to illustrate how registered entities could comply with a Standard that are vetted by prequalified organizations and endorsed by the ERO Enterprise.

[As stated in the Implementation Guidance Policy¹, examples provided in the Implementation Guidance are not exclusive, as there are likely other methods for implementing a standard. The ERO Enterprise's endorsement of an example means the ERO Enterprise CMEP staff will give these examples deference when conducting compliance monitoring activities. Registered entities can rely upon the example and be reasonably assured that compliance requirements will be met with the understanding that compliance determinations depend on facts, circumstances, and system configurations.](#)

In order to be added to the list of “prequalified” organizations² that are eligible to serve as a potential submitter of Implementation Guidance, NERC requires an organization to submit a request to the CCC. Each of the prequalified organizations are comprised of stakeholders that: 1) are actively involved in the various technical and policy operations of NERC, 2) have methods to assure technical rigor in the development process, and 3) possess the ability to vet content through its members.

NERC will only consider requests for Implementation Guidance that have been vetted through one of several organizations that are “prequalified” to submit guidance for ERO Enterprise endorsement. Therefore, an organization that has not been prequalified can send a request to the CCC to be added to the prequalified list. This document outlines the process by which the CCC will receive and evaluate such requests.

[As of May 2018, NERC requires that Implementation Guidance be vetted through one of the following prequalified organizations prior to being submitted to the ERO Enterprise for endorsement:](#)

1. [American Public Power Association \(APPA\)](#);
2. [Canadian Electricity Association \(CEA\)](#);
3. [Edison Electric Institute \(EEI\)](#);
4. [Electricity Consumers Resource Council \(ELCON\)](#);
5. [Electric Power Supply Association \(EPSA\)](#);
6. [EnergySec](#);
7. [ISO/RTO Council](#);
8. [Large Public Power Council \(LPPC\)](#);
9. [National Association of Regulatory Utility Commissioners \(NARUC\)](#);
10. [National Rural Electric Cooperative Association \(NRECA\)](#);
11. [North American Generator Forum \(NAGF\)](#);
12. [North American Transmission Forum \(NATF\)](#);

¹ [Compliance Guidance Policy](#)

²

- [13. Northwest Public Power Association \(NWPPA\);](#)
- [14. Nuclear Energy Institute \(NEI\);](#)
- [15. Transmission Access Policy Study Group \(TAPS\);](#)
- [16. Western Interconnection Compliance Forum \(WICF\);](#)
- [17. NERC Planning Committee \(PC\);](#)
- [18. NERC Operating Committee \(OC\);](#)
- [19. NERC Critical Infrastructure Protection Committee \(CIPC\); and NERC Reliability and Security Technical Committee \(RSTC\)](#)
- [20. Regional Entity Stakeholder Committees.](#)

NERC will post and maintain the list on the NERC website. In order to be added to the list of "prequalified" organizations that are eligible to serve as a potential submitter of Implementation Guidance, NERC requires an organization to submit a request to the CCC. Each of the prequalified organizations are comprised of stakeholders that: 1) are actively involved in the various technical and policy operations of NERC, 2) have methods to assure technical rigor in the development process, and 3) possess the ability to vet content through its members. NERC will only consider requests for Implementation Guidance that have been vetted through one of several organizations that are "prequalified" to submit guidance for ERO Enterprise endorsement. Therefore, an organization that has not been prequalified can send a request to the CCC to be added to the prequalified list. This document outlines the process by which the CCC will receive and evaluate such requests.

¹ <http://www.nerc.com/comm/CCC/Documents/CCC%20Charter%20Approved%20RR15-11-000.pdf> CCC Charter
² http://www.nerc.com/files/Order_on_Comp_Filing_06.07.2007_CCC_VSL_Order.pdf

1. Introduction

The Compliance and Certification Committee (CCC) is a NERC Board appointed stakeholder committee serving and reporting directly to the NERC Board of Trustees (Board) and is responsible for engaging with, supporting, and advising the NERC Board and NERC regarding all facets of the NERC Compliance Monitoring and Enforcement Program (CMEP), Organization Registration Program (Registration program), and Organization Certification Program (Certification program).

In accordance with action taken by the NERC Board on November 5, 2015, the CCC was asked to play a lead role in developing tools and/or procedures that will promote a common understanding among the industry and ERO Enterprise Staff regarding how compliance can be achieved and demonstrated. Key to this effort is the development of Implementation Guidance, a stakeholder driven means to develop examples of approaches to illustrate how registered entities could comply with a Standard that are vetted by prequalified organizations and endorsed by the ERO Enterprise.

NERC will only consider requests for Implementation Guidance that have been vetted through one of several organizations that are “prequalified” to submit guidance for ERO Enterprise endorsement. Therefore, an organization that has not been prequalified can send a request to the CCC to be added to the prequalified list. This document outlines the process by which the CCC will receive and evaluate such requests.

2. Chapter 1: Application and Review Process Scope

The CCC is responsible for reviewing and considering applications for organizations who desire to become a prequalified organization eligible to submit Implementation Guidance to the ERO Enterprise. [The CCC-EROMS Subcommittee](#) will review and consider such applications.

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Submit Application

[The application to become a PreQualified Organization can be found on the NERC website³.](#) An applicant must submit a completed application to EROMS at ComplianceGuidance@nerc.net to begin the review process. The EROMS Chair or their designated representative will acknowledge receipt of the application within five business days of receipt and notify the applicant by electronic mail.

Review Application

EROMS will review applications at its regularly scheduled quarterly meetings. EROMS will review an application at its next regularly scheduled meeting if the application is submitted to EROMS more than 20 business days prior to the next regularly scheduled EROMS meeting. EROMS will evaluate the applications in accordance with the criteria outlined in Chapter 2 and make a formal recommendation to the CCC at that time, which will be followed by formal action taken by the CCC.

Notifying Applicant and ERO Enterprise

[The CCC Chair, or their designated representative, will notify the applicant of the CCC's decision whether to add the applicant to the prequalified list. If the CCC approves the application, then the CCC will inform the ERO Enterprise and request the ERO Enterprise to modify the list of prequalified organizations and post on the NERC website.](#)

³ [Compliance Guidance Key Resources](#)

3. Chapter 2: Criteria for Approval

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As noted above, any organization that is seeking to be prequalified to submit Implementation Guidance to the ERO Enterprise will be evaluated based on the following criteria:

- Is a known entity on the list of NERC registered entities, or in the alternative, represents a group of registered entities;
- Is actively involved in the various technical and policy operations of NERC;
- Has methods to assure technical rigor in the development process; and
- Possesses the ability to vet content through its organization, providing a high level of confidence to the CCC that the Guidance has been fully vetted.

The CCC will also take into consideration any characteristics and additional information of the applicant.

The CCC is ultimately responsible for reviewing and considering any applications for organizations to become a prequalified organization. The CCC reserves the right to periodically review the list of prequalified entities and recommend to the ERO Enterprise whether to have specific prequalified organizations removed. In doing so, the CCC will submit to the ERO Enterprise a request to remove an organization, explaining the circumstances behind the request. Upon concurrence of the recommendation by the ERO Enterprise, any such removals must be approved by the NERC Board of Trustees. [Section 5 Chapter 1](#) outlines the application and review process, which will be subject to periodic review and modification as determined by the CCC.

4. Application and Review Process

Submit Application

The application to become a PreQualified Organization can be found on the NERC website [add hyperlink]. An applicant must submit a completed application form (shown in Appendix A) to EROMS to begin the review process. EROMS will acknowledge receipt of the application within five business days of receipt and notify the applicant by electronic mail.

Review Application

EROMS will review applications at its regularly scheduled quarterly meetings. EROMS will review an application at its next regularly scheduled meeting if the application is submitted to EROMS more than 20 business days prior to the next regularly scheduled EROMS meeting. EROMS will make a formal recommendation to the CCC at that time, which will be followed by formal action taken by the CCC. EROMS will evaluate the applications in accord with the criteria outlined in Section 4.

Notifying Applicant and ERO Enterprise

The CCC Chair, or their designated representative, will notify the applicant of the CCC decision whether to add the applicant to the prequalified list. If the CCC approves the application, then the CCC will inform the ERO Enterprise and request the ERO Enterprise to modify the list of prequalified organizations and post on the ERO Enterprise website.

5. Chapter 3: Administrative

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Review Period

The Criteria for Approval in [Section 4Chapter 2](#) will be reviewed by the CCC on an annual basis and modified as needed.

Retention Management

NERC's records retention management policy will require that information and data generated or received under activities associated with this program be retained for a minimum of five years. ~~If the information or data is material to the resolution of a controversy, the retention period for such data will not begin until after the controversy is resolved.~~

Confidentiality Management

~~NERC and the CCC will maintain confidentiality of all Confidential Information in accordance with Section 1500 of the ROP. Information deemed to be critical energy infrastructure information will be redacted and will not be released publicly.~~

Chapter 4: Revision History

Date	Version Number	Comments
January 11, 2016	1.0	Working draft circulated to CCC Compliance Guidance Task Force for initial review and discussion
January 25, 2016	1.1	Working draft circulated to CCC Compliance Guidance Task Force for second review and discussion
February 12, 2016	1.2	Working draft circulated to CCC Compliance Guidance Task Force for third review and discussion
February 25, 2016	1.3	Working draft circulated to CCC Compliance Guidance Task Force for fourth review and discussion
March 2, 2016	1.0	Approved by the Compliance Certification Committee
April 7, 2016	1.5	Modification to process to remove pre-qualified organizations
XXX, YY, 2019 <u>May 5, 2016</u>	21.0	Complete periodic review of procedure. Ministerial changes only. Approved by the Board of Trustees
August 15, 2019	2.05	<p>Added the revision history section and moved up the revision history matrix</p> <p>Added the NERC map and matrix, verbiage of six regions and cleaned up minor spelling errors</p>
<u>September X, 2020</u> <u>Month day, 2020</u> <u>Month day, 2020</u>	33.0	Approved by the Compliance Certification Committee Approved by the Board of Trustees Completed periodic review. Moved list of prequalified organizations to Appendix. Removed the list of prequalified organizations as they are posted on the NERC website.

Appendix A: Application to Become a Prequalified Organization Eligible to Submit Implementation Guidance for Potential Endorsement by NERC

NERC requires that Implementation Guidance be vetted through one of the following prequalified organizations prior to being submitted to the ERO Enterprise for endorsement:

American Public Power Association (APPA)

Canadian Electricity Association (CEA)

Edison Electric Institute (EEI)

Electricity Consumers Resource Council (ELCON)

Electric Power Supply Association (EPSA)

EnergySee

ISO/RTO Council

Large Public Power Council (LPPC)

National Association of Regulatory Utility Commissioners (NARUC)

National Rural Electric Cooperative Association (NRECA)

North American Generator Forum (NAGF)

North American Transmission Forum (NATF)

Northwest Public Power Association (NWPPA)

Nuclear Energy Institute (NEI)

Transmission Access Policy Study Group (TAPS)

Western Interconnection Compliance Forum (WICF)

NERC Reliability and Security Technical Committee (RSTC)

Regional Entity Stakeholder Committees

The NERC Compliance and Certification Committee determines whether an organization will be prequalified to submit Implementation Guidance to NERC for endorsement.

Contact Person Details

Title/Employer		
<u>First name</u>	<u>Last Name</u>	
Address		
<u>City, State or Province</u>	<u>Zip Code or Postal Code</u>	
<u>Phone (daytime)</u>	<u>Mobile</u>	
Email		
<u>Name of Organization to be Applicant</u>		

Description of Organization

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Use this space to provide profile information to describe general structure of the organization:

Member Details

Use this space to provide information about the organization's members and why the members are impactful to NERC:

Appendix A: Application to Become a Prequalified Organization Eligible to Submit Implementation Guidance for Potential Endorsement by NERC

Application

Use this space to explain the reasons why NERC should consider this organization as a prequalified organization to submit Implementation Guidance to the ERO Enterprise.

Explain how this organization includes stakeholders that possess the following characteristics:

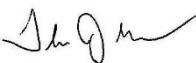
- Must be a known entity on the list of NERC registered entities, or in the alternative, represent a group of registered entities;
- Is actively involved in the various technical and policy operations of NERC;
- Has methods to assure technical rigor in the development process; and
- Possesses the ability to vet content through its members, providing a high level of confidence to the CCC that an issue has been fully vetted.

Explain the reasons the entity is unable to have one of the prequalified organizations vet its proposed Implementation Guidance:

Please send this form to the following location:

Email: ComplianceGuidance@nerc.net

To: NERC Board of Trustees (BOT)

From: Thomas J. Galloway, NATF President and CEO 

Date: October 8, 2020

Subject: NATF Periodic Report to the NERC BOT (November 2020)

Attachments: NATF External Newsletter (October 2020)

The NATF interfaces with the industry as well as regulatory agencies on key reliability, resiliency, security, and safety topics to promote collaboration, alignment, and continuous improvement, while reducing duplication of effort. Some examples are highlighted below and in the attached October NATF external newsletter, which is also available on our public website: www.natf.net/news/newsletters.

Response to COVID-19 Challenges

The NATF continues to work with members and industry partners on responding to the epidemic. A particularly successful endeavor is our ongoing collaboration with NERC, the U.S. Department of Energy (DOE), and the Federal Energy Regulatory Commission on the epidemic/pandemic response plan resource. As noted in the newsletter, version 3 of the resource was issued in August.

NATF-NERC Leadership Meeting

NATF and NERC leadership meet periodically to discuss collaborative work and industry topics. The October 9 agenda includes facility ratings, grid security emergencies, and supply chain.

Supply Chain Executive Order (NERC, DOE Requests)

The NATF has been supporting members with Executive Order 13920 *Securing the United States Bulk-Power System*. For example, NATF staff conducted discussions with NERC staff and offered guidance to NATF members to ensure quality responses to the NERC *Recommendation to Industry: Supply Chain Risk III*. In addition, NATF staff submitted [comments](#) to the DOE regarding its July 8 request for information.

Update on Pilot Collaborations with NERC, RF, and SERC

The NATF, along with ReliabilityFirst and SERC, will host an industry-wide special webinar on “Identifying and Managing Potential Compromise of Network Interface Cards” on October 22, 2020. The webinar is part of the pilot collaboration among the NATF, RF, and SERC focused on mitigation practices that entities can employ on their systems, equipment, and networks to reduce risk introduced via the supply chain.

The webinar features presentations from the NATF, RF, SERC, NERC, FERC, and NATF member-company subject-matter experts on the following topics:

- Overview of NATF-ERO Collaboration Pilot
- NATF Supplier Cyber Security Assessment Model – How Entity Mitigation Fits In
- NERC/FERC Joint Staff White Paper on Supply Chain Vendor Identification

- Regional Entity Perspectives on Responding to Supply Chain Compromise Risk
- NATF Member SME Perspectives/Experiences with Supply Chain Compromise Mitigation

In the facility ratings collaboration, the NATF has conducted an initial baseline survey of member implementation status of key practices in the “NATF Facility Ratings Practices Document,” published in June 2020, and is preparing reports for its members. A summary report will be provided to the ERO in early 2021.

North American Transmission Forum External Newsletter

October 2020

Transmission Resilience Maturity Model: Helps Utilities Improve Resilience

In October, the inaugural version (1.0) of the Transmission Resilience Maturity Model (TRMM) was released publicly on the TRMM [website](#). In addition to access to the TRMM tool, the website provides overview and background information, FAQs, a suite of supporting documentation, and more.

The TRMM (developed jointly by the NATF, the Pacific Northwest National Laboratory, the Electric Power Research Institute, and the U.S. Department of Energy) is a free, easy-to-use tool, with supporting documentation, designed for electric transmission system utilities to evaluate and benchmark the relative maturity of their transmission resilience programs. The model can help identify gaps and prioritize actions and investments to improve the resilience of transmission systems.

The draft model was piloted by five NATF member companies in 2020, and improvements based on lessons learned were incorporated into version 1.0. The NATF envisions incorporating aspects of the TRMM as additional service offerings for members, including facilitated self-assessments, metrics, and targeted assistance.

To obtain a passphrase for the tool, please register [here](#). Contact us at trmm@natf.net with any questions.

Virtual Peer Reviews

Consistently rated as one of the NATF's most value-added product offerings, peer reviews typically involve on-site evaluations of a member company's procedures, practices, and processes by a group of subject-matter experts from other NATF members (peers).

Substantial value and benefit come from the face-to-face engagement, which facilitates foundations of trust, teamwork, and candor—all fundamental tenets to ongoing program success. For these reasons, conducting peer reviews on-site at the host company remains the overall preference.

The COVID-19 pandemic, however, has continued to impact what we considered to be “normal” business. To ensure staff and member safety, support peer review business continuity, and continue to provide value during this time, the NATF has developed alternative approaches, including a “virtual” peer review option for our members. While not identical to an on-site offering, a virtual peer review will employ many of the same, effective, and proven peer review practices. Virtual peer reviews will be executed using available host and peer resources via web conferences.

Face-to-face peer reviews will remain the NATF's preference and standard practice. We are cautiously optimistic in resuming peer reviews on-site as soon as practical, hopefully beginning sometime in 2021. However, upcoming peer reviews will be carefully evaluated leveraging governmental (e.g., U.S. CDC) and World Health Organization guidance, industry/member/individual risk tolerances, and peer review host preferences.

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NATF Posts Revision Process for Supply Chain Criteria and Questionnaire

The NATF has posted the "Revision Process for the Energy Sector Supply Chain Risk Questionnaire and NATF Cyber Security Criteria for Suppliers" for industry use.

The purpose of this process is to facilitate periodic reviews and modifications of the NATF "Energy Sector Supply Chain Risk Questionnaire" (Questionnaire) and the "NATF Cyber Security Criteria for Suppliers" (Criteria), which were developed for industry-wide use to drive consistency of information obtained from suppliers of bulk power system hardware, software, and services.

Consistent with the NATF's open, collaborative, and consensus-based approach, modifications via this process will be made with consideration of input from across industry and will include adding, deleting, or modifying individual questions in the Questionnaire or individual criterion in the Criteria as well as adding, deleting, or modifying mappings to security frameworks (e.g., SOC2, ISO27001, etc.).

Learn more at <https://www.natf.net/industry-initiatives/supply-chain-industry-coordination>.

Coordination and Support Aspects Added to Epidemic/Pandemic Resource

The [Epidemic/Pandemic Response Plan Resource](#) has been updated to include details on cross-sector coordination, prioritized requests for government support, and misinformation.

The resource—which focuses on planning/preparedness, response, and recovery activities for a severe epidemic/pandemic—was jointly developed by the NATF, the North American Electric Reliability Corporation, the U.S. Department of Energy, and the Federal Energy Regulatory Commission to help utilities create, update, or formalize their epidemic/pandemic-response plans in response to the COVID-19 pandemic.

Redacted Operating Experience Reports

Since our last newsletter, we have posted three reports to our [public site](#) for members and other utilities to use internally and share with their contractors to help improve safety, reliability, and resiliency.

For more information about the NATF, please visit www.natf.net.



North American Generator Forum

TO: NERC Board of Trustees
James B. Robb, President and CEO

FROM: Allen D. Schriver, Chief Operating Officer, North American Generator Forum (NAGF)

DATE: October 19, 2020

SUBJECT: NAGF 2020 Fall Report

The NAGF continues to move forward during these unprecedented times for industry and the nation. The NAGF continues to provide its members with the opportunity to share their plans for resumption of business operations in the “new normal” via webinars and the NAGF Groupsite discussion board.

The NAGF continues to participate and support the NERC Inverter-Based Resource Performance Working Group. The IRPWG has begun working on the following new tasks:

- Task 1: Reliability Guideline: EMT Modeling and Simulations
- Task 2: Reliability Guideline: BESS and Hybrid Plant Performance, Modeling, Studies
- Task 3: Whitepaper: Using BPS-Connected Inverter-Based Resources and Hybrid Plant Capabilities for Frequency Response

The NAGF is actively engaged in the following NERC Projects to help ensure the generator sector perspective is heard and understood:

NERC Project 2019-04: Modifications to PRC-005-6

The NAGF finalized and submitted its comments regarding the SAR v1 during the formal comment period that ended July 8, 2020. The NAGF does not support the expanded scope of the SAR v1 to include protective functions inside other control systems for BES elements. NERC reached out to the NAGF requesting an opportunity to further discuss the NAGF comments in detail and to gain additional insight from the generator perspective. A conference call was held with NERC and Standard Drafting Team (SDT) representatives on September 2nd, providing additional insights and education for all participants.

NERC Project 2019-06: Cold Weather:

The NAGF discussed its concerns with a Standards Drafting Team representative in mid-July to better understand the issues regarding the latest version of the SAR.

The NAGF and NATF continue to collaborate on the effort to revise NATF Protection System Coordination documentation to incorporate guidance related to PRC-027-1: Coordination of Protection Systems for Performance during Faults. During the 3Q2020, the team finalized the draft document which was shared with NAGF membership in late July 2020. This document will be very useful for generators coordinating protection information with transmission entities. The tables that address current-based protection, line protection owned by the generator, and other generator protection functions summarize the exchange of data for PRC-027 as well as other protection standards that have data sharing requirements.

The NAGF continues to be actively engaged with the NATF and other industry organizations to provide a streamlined, effective, and efficient industry-accepted method for entities to assess supplier cyber security practices. This approach will reduce the burden on suppliers and provide entities with more information effectively and efficiently. This industry collaboration effort is focused on improving cyber security, and assisting registered entities with compliance to regulatory requirements.

The NAGF is moving forward with the redesign of its existing NAGF public and members-only websites to provide a single website with the capabilities to support and sustain the future growth of the organization. In addition, the NAGF is seeking to define our digital marketing strategy and a plan to integrate the digital strategy with the existing NAGF marketing strategy.