

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Corporate Governance and Human Resources Committee (CGHRC) Open Meeting Presentations

November 4, 2020

RELIABILITY | RESILIENCE | SECURITY



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RELIABILITY CORPORATION

ERO 2020 Work Plan Priorities Q3 Update

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Corporate Governance and Human Resources Committee Meeting
November 4, 2020

RELIABILITY | RESILIENCE | SECURITY



1. Expand risk-based focus in Standards, Compliance Monitoring, and Enforcement
2. Assess and catalyze steps to mitigate known and emerging risks to reliability and security
3. Build a strong, E-ISAC-based security capability
4. Strengthen engagement across the reliability and security ecosystem in North America
5. Capture effectiveness, efficiency, and continuous improvement opportunities



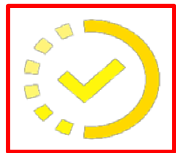
Objective has been fully achieved



Objective is on track for 2020 completion









Objective is at risk for completion in 2020











Objective is at risk for completion in 2020 due to COVID impacts



Objective will not be reached in 2020, primarily due to COVID impacts

- 59 individual work plan objectives approved in February
 - 12 complete 
 - 30 on track for 2020 completion 
 - 6 at risk, all due to impacts from COVID 
 - 11 will not be reached 
 - All due to the impacts of COVID, except for the Align release delay
- Impacts of COVID include travel cancellations, reduced stakeholder capacity, or overall reprioritization of efforts
- 7 objectives added in response to COVID or current events
 - 4 complete 
 - 3 on track for 2020 completion 

- Correction  → 
 - Focus Area 2 objective related to BES initiating wildfires was shown as at risk in Q2, but should have been shown as at risk due to COVID impacts
- Q2 at risk; Q3 on track  → 
 - Focus Area 2 objective related to addressing DER penetration
- Q2 at risk; Q3 will not be reached  → 
 - Focus Area 2 objective related to technical assessment on energy storage
 - Focus Area 4 objective to conduct Resiliency Summit
 - Focus Area 4 objective to hold Storage & Frequency Response Conference
- Q2 on track; Q3 will not be reached  → 
 - Focus Area 5 objective to complete Standard Efficiency Reviews

Key Objectives

1. Implement strategy for fuel assurance standards (including cold weather) for BPS operations and planning:

Complete the development and submit to FERC a Board approved standard focused on resource availability in the operational time frame

Fuel assurance guideline approved

Identify tools needed for planners to include fuel scenarios, and work with industry to develop them

Identify design basis scenarios for use in the planning horizon

Begin enhancement of NERC's TPL Standards to include fuel scenarios for normal and extreme events (2021–2022)

Status Highlights (Through Q3)



SAR accepted by SC and drafting team appointed; extensive stakeholder outreach needed to complete



Approved by PC in March



Included in guideline above



EGWG continues to discuss; additional work with industry needed



Reprioritized due to level of stakeholder engagement required

Key Objectives

2. Complete the recommendations in the Supply Chain report:

Implement the supply chain recommendations, continue to assess their effectiveness and sufficiency, and determine further actions, if any, based on the seriousness and nature of risks

Work with industry and the NATF to develop consistency and certainty in vendor audits

3. Consistently embed internal control activities within the compliance monitoring program

Status Highlights (Through Q3)



Standard on track for November Board meeting



Meetings with NATF ongoing



Ongoing activities, including:

- Oversight activities
- Annual CMEP staff training
- Inclusion in CMEP Implementation Plan and Practice Guides

Key Objectives

1. Identify performance trends and develop lessons learned, recommendations, and/or implement mitigations:

Protection system misoperations

Reduced situational awareness from loss of EMS

Unacceptable inverter performance

Increased amounts of DER

Reduce potential for the BES initiating wildfires

Develop RSTC-approved work plan to implement EMP Task Force recommendations

Status Highlights (Through Q3)



Included in SOR report



Completed Monitoring and SA Conference; finalizing special assessment



SC accepted IRPTF/RSTC-recommended SAR; additional white papers, guidelines, and reports in development



SPIDER WG/RSTC-recommended SAR sent to SC; working on guidelines



White paper outline drafted; additional stakeholder coordination needed



Work plan in development

Key Objectives

2. Implement two lessons learned and best practices from GridEx V, including improved use and collaboration with SAFNRv3:

Two communication drills between E-ISAC Watch Floor and BPSA

Four drills on developed use cases

3. Identify and assess emerging factors impacting BPS reliability and make mitigation recommendations:

Assess energy adequacy in the 2020 LTRA

Technical assessment on energy storage technologies, applications, and projections

Develop position paper on the ERO's role to ensure BPS reliability with increased DER lower than BES thresholds

Status Highlights (Through Q3)



Two communication drills completed



Three drills completed



Initial data and results received; analysis for LTRA in progress



Initial draft complete; additional stakeholder engagement needed (engaging RSTC in 2021)



In progress

Key Objectives

3. Identify and assess emerging factors impacting BPS reliability and make mitigation recommendations (cont'd):

Develop data requirements and metrics for quantifying BPS resilience and recovery

Improve models, identify simulation needs, and provide guidance to address reliability considerations from DER penetration

Begin addressing cybersecurity risks in the planning and operational time horizon

Status Highlights (Through Q3)



SOR report contains SRI metrics on resilience; further engagement needed on additional measures and load loss data collection



Related SAR addressing modeling accepted by SC



Stood up BPS and Grid Transformation department; work initiated

Key Objectives

1. Strategy:

Complete Strategic Plan refresh with MEC support

Develop performance management process driven by agreed metrics

2. Information Sharing

Increase overall information sharing by partners and industry through targeted outreach

Expand CRISP participation and capture the DOE “+30” opportunity

Improve coordination and connectivity to Intelligence Community, especially DOE/CESER, DHS/CISA, and DOD/NSA

Effectively activate existing MOU-based relationships (MS ISAC, DNG ISAC, IESO pilot)

Expand Watch Operations to 24x7

Status Highlights (Through Q3)



Further refinements occurring; will be presented at next MEC call



Metrics complete and approved by MEC during Q1



Developing specific guidance to promote information sharing



CRISP participation is expanding but COVID potentially impacting full growth potential



Regular engagement with DOE; COVID impacting partners & ability to conduct classified briefings



Reprioritizing efforts due to COVID impacts; engagement occurring with IESO on DNG and MS ISAC



Complete and operational

Key Objectives

3. Analysis:

Increase member shared joint analytical products developed with partners

Increase member shared content enriched by E-ISAC analysis

Unclassified Threat Workshop survey results (relevant, unique, timely, actionable content)

Implement long-term data platform and demonstrate value-add

4. Engagement:

Expand participation in Industry Engagement Program

Institutionalize Canadian engagement effort and ensure value-add across international border

Implement and realize value from new CRM system

Continue to grow GridSecCon and evaluate outsourcing potential for low value added work

Status Highlights (Through Q3)



Revisiting definition of “joint analytical product” and will provide updated results in Q4



31% increase YTD as compared to 2019



Deferred due to COVID



E-ISAC Data Platform operational, including enhanced member dashboards and metrics canvas



Deferred due to COVID



Extensive outreach with CEA occurring



Increased membership 10% YTD; converting Portal to Salesforce platform



Cancelled; RFP issued for 2021

Key Objectives

1. Expand outreach/coordinated ERO Enterprise communications with stakeholder/policy organizations:

Enhance existing and establish new relationships with key industry associations and stakeholder organizations

Develop a coordinated approach for NERC's and Regional Entities' outreach to FERC

Leverage Regional Entities for engagement with state entities and organizations

Expand coordinated outreach to Canada related to MOUs as well as regulatory authorities

Gain support for recommendations in NERC's reliability assessments

Status Highlights (Through Q3)



Expanded trades meetings and outreach; increased communications w/ NARUC, Canadian entities, and US government partners; EU



Established coordinated calls with FERC; collaboration with FERC on COVID guidance



RE state outreach reps engaged; NERC and RE coordination on SOR report messaging



Expanded Canadian outreach coordinated with REs; update on MOUs provided during NERC Board and Canadian regulator meeting



Expanded outreach to states on resource adequacy; identifying engagement plan for DER and natural gas risks

Key Objectives

2. Work with ERO Enterprise Communications Group (ERO CG) to refine and further develop the ERO Communication Strategy, to:

Enhance existing and establish new relationships with key industry associations and stakeholder organizations

Amplify initiatives and messages through expanded use of social media

Support the ERO Executive Committee (EC) pledge to develop and share harmonized messaging across the ERO Enterprise

Status Highlights (Through Q3)



Government Communication Working Group calls; related work plan development from Communication Strategy



Coordination across ERO Enterprise to build on social media networks



Finalized Communication Strategy and establishing work plan; talking points; coordinated COVID communications

Key Objectives

3. Plan, resource, and execute joint meeting and conferences where possible:

Joint Regional Entity supported Human Performance conference with NATF

Resiliency Summit with NATF and EPRI

Storage and Frequency Response with NAGF

Regional Entity focused Supply Chain and Facility Rating conferences and best practices with NATF

4. Support corollary activities within industry and trades, e.g., U.S. DOE's North American Energy Resilience Model (NAERM), IEEE Standard 2800

Status Highlights (Through Q3)



Conferences postponed due to COVID; exploring options for 2021



NATF webinar on Identifying and Managing Potential Compromise of Network Interface Cards held Oct 22



Collaboration efforts ongoing, including meeting participation, data gathering, and model validation

Key Objectives

1. Complete the “Big 3”:

Roll out Align Release 1.0, supported by stakeholder outreach and education, end-use training, and business unit readiness activities

Complete the CIP and Phase II of the O&P Standards Efficiency Reviews (SERs)

Successful implementation of the RSTC

2. ERO Enterprise Biennial Effectiveness Survey:

Implement plans addressing key 2018 findings

Rethink the biennial survey working with the CCC

Status Highlights (Through Q3)



Delayed until 2021 due to coordination with Secure Evidence Locker



O&P Phase II SER on track; CIP SER will continue into 2021 due to COVID impacts



RSTC established and two meetings completed



Action plans established in 2019 and incorporated into work plans; many activities completed, others ongoing



Proposed to discontinue, allowing for more targeted, individual program outreach

Key Objectives

3. NERC:

Finish 2020 at or below budget and maintain at least \$3M in operating reserves

4. Regional Entities:

With Regional Entity and stakeholder feedback, continue evaluation of compliance monitoring and enforcement processes for efficiency

Implement opportunities to centralize and/or standardize processes

5. Transformation achieves process alignment and shared resources

Status Highlights (Through Q3)



Current year-end projections show NERC \$3.5M under budget with \$7.9M in reserves



Ongoing activities, including:

- Align & SEL development
- ROP revisions
- CCC working on methods for gathering feedback
- Enterprise-wide agreements for IT tools (Webex, OnSolve)
- External communications coordination
- Conducted two ERO Enterprise Leadership webinars and developed Transformational Roadmap



Key Objectives

Focus Area 2:

Publish Level 2 Alert on Pandemic Mitigation Response

Pandemic Preparedness and Operational Assessment, Winter and Spring 2020

After-action review and update report “Enhance Severe Impact Resilience” and HILF reports related to pandemic response and mitigation

In coordination with NATF, DOE, and FERC, deliver Pandemic Plans and best practices

Publish Lessons Learned & event report as needed

Focus Area 5:

After-action review and improve NERC's Business Continuity and Crisis Action Plans

Status Highlights (Through Q3)



Published on website



Published on website



In progress; reviewing outcomes and lessons learned



Published on NATF website



In progress; reviewing outcomes and lessons learned



Crisis Action Plan updated; Business Continuity Plan working group established

Key Objectives

Focus Area 2:

Publish Level 2 Alert for extent of condition for certain Chinese and Russian made equipment

Status Highlights (Through Q3)



Published on website



Questions and Answers