

Announcement

Board Approves New Committee Structure; Accepts RISC Report; Approves Regional Bylaws, Standards Development Plan

November 6, 2019

ATLANTA – The NERC Board of Trustees met in an abbreviated, open session for its quarterly meeting on November 5. The new format was undertaken as part of NERC’s continuing effectiveness and efficiency efforts. During the MRC meeting earlier in the day, a new chair and vice chair were elected: Jennifer Sterling of Exelon and Paul Choudhury of BC Hydro, respectively. The MRC also received an update on supply chain activities, specifically the results of the Supply Chain Risk Assessment Data Request.

President and CEO Jim Robb called attention to the anniversary of the 1965 blackout in his President’s Report, which was submitted as part of the Board agenda package. The blackout brought awareness to the need for reliability coordination across the international, interconnected bulk power system (BPS) in North America and, ultimately, led to the creation of the ERO Enterprise, Robb noted.

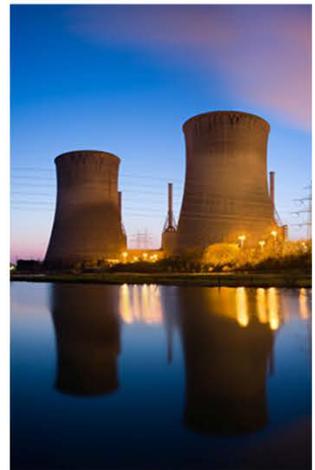
“Electricity is fundamental to modern society, and nearly 400 million North American citizens rely on an uninterrupted electricity supply to support their way of life. Electric reliability and security depends on a complex fabric of utilities, suppliers, generators and public/private entities,” Robb wrote in his remarks. “NERC and the ERO Enterprise strengthen that fabric through our critical role in reliability, resilience and security.”

The Board approved the charter to create a new Reliability and Security Technical Committee (RSTC) in an effort to improve the effectiveness and efficiency of ERO Enterprise operations. A stakeholder engagement team (SET) recommended replacing three existing technical committees with the single RSTC, which will report to the Board. This new committee will focus on managing the work of the subcommittees, working groups and task forces organized to address specific risks to reliability and security. The RSTC chair and vice chair were appointed: Greg Ford of Georgia System Operator, and outgoing MRC chair, will serve as chair, and David Zwergel of MISO, and the outgoing chair of the Operating Committee, will serve as vice chair.

The Board accepted the [2019 ERO Reliability Risk Priorities Report](#), which provides key insights, priorities and high-level leadership for issues of strategic importance to BPS

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reliability. The Reliability Issues Steering Committee (RISC) advises the Board and provides guidance to the ERO Enterprise and industry to effectively focus resources on the critical issues to improve the reliability of the BPS.

The EMP Task Force identified key issues for industry to better understand and address EMP risk in the [EMP Task Force Strategic Recommendations](#) report. Representatives from government agencies, FERC, Regional Entities and industry stakeholders participated in task force meetings, discussing scope, priority and recommendations for next steps to address high-altitude EMP events. The Board will seek policy input on the recommendations and priorities going forward. The task force is expected to present a final report to the Board at the February meeting.

In standards activity, the Board approved the *2020–2022 Reliability Standards Development Plan*, which establishes a plan for Reliability Standards development over a three-year horizon. The new plan focuses on addressing Federal Energy Regulatory Commission directives, emerging risks and the Standards Efficiency Review.

The Board also adopted BAL-003-2 – Frequency Response and Frequency Bias Setting revisions, which address the inconsistencies identified in the Frequency Response Annual Analysis.

Branden Sudduth, vice president of Reliability Planning and Performance Analysis at WECC, provided an update on Reliability Coordinator (RC) activities in the Western Interconnection. Sudduth discussed RC coordination efforts throughout the year as well as how the Western Interconnection is positioned to move into a multiple-RC environment beginning December 3, 2019. More information about RC coordination activities can be found at the [WECC RC certification site](#).

In other regional action, the Board approved changes to SERC and ReliabilityFirst bylaws. SERC’s changes transition their board into a hybrid structure made up of stakeholder and independent directors, ensure representation from each member company and revamp the board committee structure. ReliabilityFirst’s changes align their governance with the NERC Board’s independence principles, increasing efficiencies and better aligning with the mission of reducing risks to the reliability and security of the grid.

During the MRC meeting, Howard Gugel, vice president of Standards and Engineering, provided an update on supply chain activity. In May 2019, NERC’s Board accepted the supply chain report — *Cyber Security Supply Chain Risks: Staff Report and Recommended Actions*. However, they also requested an evaluation of the cyber security supply chain risks associated with low-impact Bulk Electric System (BES) cyber systems, which required a Section 1600 request for data or information.

The Section 1600 request for data was issued on August 19, with responses due to NERC by October 3, 2019. A summary of responses and staff observations found that while a significant number of locations contain low-impact cyber systems, most of them are in organizations that have higher impact cyber systems that are subject to the supply chain standards. A survey of those entities revealed that they use common procurement processes for all cyber assets on the BES and would then be covered voluntarily under the provisions of CIP-013. Further evaluation of generation resources and entities that only have low-impact cyber assets will help determine whether they should be included in a future version of the supply chain standards.

Robb also noted in his written remarks that NERC and SERC co-hosted the ninth annual GridSecCon in October in Atlanta, with more than 600 security professionals in attendance. “Training and education and staying current on the state of the art in security is a key part of the electricity industry’s security posture,” Robb said in his remarks.

Attendees also were reminded of and encouraged to participate in NERC's upcoming grid security exercise, GridEx V, which takes place November 12–14. The two-day simulation exercise gives participants the opportunity to respond to and recover from simulated coordinated cyber and physical security threats and incidents, strengthen their crisis communications relationships and provide input for lessons learned.

Board presentations may be found by clicking [here](#). The next Board of Trustees meeting is February 6 in Manhattan Beach, California.

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