

# Announcement

## Board Holds Virtual Meeting; Approves Updated Align Timeline, SEL Strategy

May 14, 2020

**ATLANTA** – In order to respect stay-at-home orders and support the health and welfare of the industry’s workforce during the COVID-19 pandemic, NERC held its quarterly Board of Trustees meeting via WebEx — the first virtual board meeting in ERO Enterprise history.

“At our last Board meeting, we spoke about what a remarkable year 2019 was — little did we know what was in store for us in 2020,” said Jim Robb, NERC president and chief executive officer. “This meeting was scheduled to take place in Washington, D.C., but change happens and we adapt. This has been an intense and challenging time for all of us across our industry. However, NERC and our community of stakeholders are navigating this crisis, and we will emerge even more resilient.”

Robb commended ERO Enterprise staff for their work during this challenging time and detailed activities undertaken during the pandemic with the Federal Energy Regulatory Commission (FERC) to provide regulatory relief while still assuring the reliability and security of the grid, including:

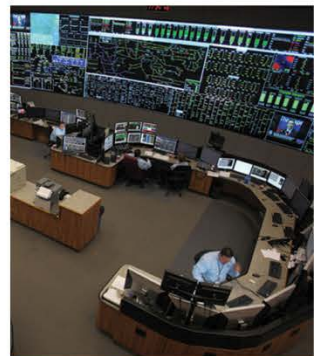
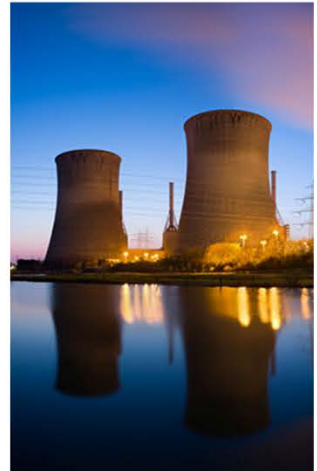
- Lessening compliance burdens so companies can allocate resources to the current crisis.
- Collecting information to promote situational awareness and sharing with industry.
- Coordinating with government partners to ensure that government and industry are in alignment.

Board Chair Roy Thilly noted the historic nature of NERC’s first virtual Board meeting and announced the August meeting will also take place via WebEx saying, “We all greatly miss the quality of in-person stakeholder interaction and hope to get back together as soon as is prudent.”

Thilly thanked NERC, the Regions and industry, who are on the front lines of

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reliability. “Threats to reliability are not on hold,” said Thilly. “Everyone has been working to keep their eyes focused on reliability during the pandemic.”

Bruce Walker, assistant secretary for the Office of Electricity at the Department of Energy (DOE), provided remarks focused on the recent Executive Order, stating that the order builds upon the significant ongoing work of NERC, FERC and industry. Speaking to implementation, Walker noted that DOE will continue the collaborative work with FERC, NERC and the Electricity Subsector Coordinating Council in a targeted, thoughtful manner, in partnership with these stakeholders.

The Board voted to approve an updated timeline for the Align project and the investment and funding strategy for the ERO Secure Evidence Locker (SEL). Align will move all compliance monitoring and enforcement business processes to a common standardized platform, resulting in a consistent application of the ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) and a more secure method of managing and storing CMEP evidence and data.

The SEL will provide a secure, isolated environment to collect and protect compliance monitoring and enforcement evidence, which will significantly reduce risk of loss or exposure of evidence and harmonize evidence collection processes. Potential delays of supply chain and travel disruptions due to COVID-19 were also discussed as related to the project timeline. More information on the project can be found on the [Align page](#).

“The balance of 2020 will be spent developing and testing the SEL and delivering training for the registered entities, Regions and NERC staff who will be using Align during its initial release in the first half of 2021,” said Stan Hoptroff, NERC’s vice president of Business Technology. Hoptroff also thanked the Board for their support and industry for their level of engagement throughout the project.

Andy Sharp, vice president and interim chief financial officer, reviewed the draft 2021 budget. With no proposed increase in assessment funding, the draft 2021 budget is \$82.9 million, or 0.2% above 2020. Sharp highlighted the major budget items for 2021, which include the SEL, the Align project and increasing NERC’s internal cyber security capabilities.

A summary of the combined ERO Enterprise draft 2021 budget was also presented and shows a budget increase from 2020 of \$3.4 million, or 1.7% and an assessment increase of \$1.8 million, or 0.9%. The Board also approved the Regional Delegation Agreements, which NERC is required to review every five years.

In other action, the Board adopted CIP-002-6 in **Project 2016-02 – Modifications to CIP Standards**, which addresses the Version 5 Transition Advisory Group issues identified in the [Critical Infrastructure Protection V5 Issues for Standard Drafting Team Consideration](#) document. The revised standard establishes a clear delineation between medium-impact and low-impact control centers for those centers owned by a transmission owner that performs the obligations of a transmission operator.

The Board also withdrew its adoption of **VAR-001-6 – Voltage and Reactive Control**, which sought to retire Requirement R2 on the basis of redundancy as part of NERC’s Standards Efficiency Review. However, FERC issued a notice of proposed rulemaking expressing concern that this requirement is the only one that “explicitly requires transmission operators to schedule reactive resources.” With this withdrawal, VAR-001-5, including Requirement R2, remains in place.

The Board also received an update on Reliability and Security Technical Committee (RSTC) activities. RSTC Chair Greg Ford provided a presentation on the [committee’s transition plan work](#), including 2020 initiatives: Transition Planning and Implementation; RSTC and Subgroup Structure Evaluation; Review, Update, Develop Reliability Guidelines and Reference Documents; and Coordination with the Reliability Issues Steering Committee.

Board presentations are located on the Board of Trustees [agenda page](#) on NERC’s website. The next Board meeting is August 20 via WebEx.

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*Electricity is a key component of the fabric of modern society and the Electric Reliability Organization 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.*