

# NERC News

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### ERO Executive Spotlight – Melanie Frye, President and CEO, WECC

#### Collaboration, Expanding Capabilities Key to Changing Resource Mix, Resource Adequacy Challenges

What an exciting time to be in our industry! The Western Interconnection is experiencing unprecedented change. Environmental regulations, economics, technology, and customer demands are driving the resource mix from large, baseload units (e.g., coal, nuclear) to more distributed, variable energy resources. States with lofty renewable integration targets, like California and Washington, have jump-started us toward seeing both the benefits and challenges associated with the changing resource mix.



One of the most significant reliability challenges the industry faces in the coming years is the assurance of resource adequacy in this rapidly changing environment. From a Western Interconnection perspective, it has been encouraging to see an emphasis on expanding analytical capabilities and improving coordination as utilities, state regulators and policymakers as well as other industry groups come together to discuss new ways of working together to address resource challenges. [Continued on page 2](#)

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## Collaboration (cont'd)

This environment provides the ERO Enterprise an opportunity to spotlight the impactful work we are producing and provide decision makers with independent, unbiased information. At WECC, our probabilistic resource adequacy work has opened the doors to many new conversations with utility resource planners about their import assumptions and interconnection-wide resource adequacy outlooks. It has also provided us with the necessary analysis to begin to answer questions like:

- In addition to planning reserve margins, what other metrics should we use to gauge resource adequacy?
- What times of day or seasons present the greatest likelihood of resource shortfalls?
- How do we integrate our resource adequacy assessments with other reliability analyses, like identifying the sufficiency of essential reliability services through a power flow study?
- How do interconnection-wide resource adequacy assessments inform or complement long-term integrated resource planning efforts?

I am optimistic when I think about the future of reliability. Every year, we see new technologies used in the power grid that will unlock new opportunities for planning and operations. As an industry and the ERO Enterprise, we have extremely talented people who are continually thinking of new possibilities. I know that as we collaborate and form new partnerships, we will be able to identify holistic solutions to meet the challenges facing this industry. ■■■

## Headlines

### Save the Date for GridSecCon 2020

NERC's Electricity Information Sharing and Analysis Center (E-ISAC) and the Texas Reliability Entity (Texas RE) are planning the tenth annual grid security conference (GridSecCon) for October 20–23 in Houston, Texas. This annual conference brings together cyber and physical security experts from industry and government to share

emerging security trends, policy advancements and lessons learned related to the electricity industry.

The conference objectives include:

- Promoting reliability of the bulk power system through training and education.
- Delivering cutting-edge discussions on critical infrastructure security threats, vulnerabilities and lessons learned from senior industry and government leaders.
- Informing industry with security best-practice discussions on reliability concerns, risk mitigation and cyber and physical security threat awareness.

Please visit the [GridSecCon page](#) for more information and conference details as they become available. Email [events@eisac.com](mailto:events@eisac.com) or visit [www.eisac.com](http://www.eisac.com) with questions.

### Statement on January FERC Open Meeting

At its monthly open meeting on Thursday, January 23, the Federal Energy Regulatory Commission (FERC) took action on four items key to reliability. FERC endorsed the work of the ERO Enterprise, highlighting NERC's development and enforcement of critical Reliability Standards and acknowledging the significant achievements — such as the implementation of a risk-based approach to reliability — made by the ERO Enterprise over the past five years.

FERC issued an order accepting NERC's *2019 Five-Year Performance Assessment*, demonstrating that NERC is fulfilling the requirements as the ERO in accordance with FERC regulations. The order also identifies areas for improvement, such as periodic audits of the Regional Entities, the use of reliability and security guidelines to address risks, performance metrics and oversight of the E-ISAC, sanctions guidelines, and NERC's organization certification program.

FERC approved Reliability Standards TPL-001-5 – Transmission System Planning Performance Requirements and CIP-012-1 – Cyber Security – Communications between Control Centers. TPL-001-5 contains new and revised requirements intended to

enhance the quality and rigor of Planning Assessments, thereby contributing to a more reliable bulk power system. Specifically, the standard will require more comprehensive study of potential impacts of protection system single points of failure and enhance requirements for the study of known outages and the possibility of unavailability of long lead-time equipment, consistent with the entity's spare equipment strategy. CIP-012-1 requires responsible entities to protect the confidentiality and integrity of real-time assessment and real-time monitoring data transmitted between control centers, thereby supporting situational awareness and reliable operations. In its order approving CIP-012-1, FERC directs NERC to develop further modifications to require protections regarding the availability of communication links and data communicated between those control centers.

FERC also issued a notice of proposed rulemaking (NPR) that would approve NERC's proposed retirement of requirements in the INT, FAC, PRC and MOD Reliability Standards families as identified in NERC's Standards Efficiency Review on the grounds that such standards requirements provide little benefit to reliability, are administrative in nature or are redundant. The NPR proposes to approve the retirement of 74 requirements and remand the retirement of one requirement. The NPR seeks additional information on the retirement of two requirements.

The ERO Enterprise appreciates FERC's action and will continue to work with FERC and stakeholders toward assuring the reliability of the North American bulk power system. [FERC Press Release](#)

### **NERC Announces New ERO Enterprise Security Initiative**

Jim Robb recently announced a new ERO Enterprise Security Initiative that focuses on security outreach and education. "It is clear to me that cyber and physical demands on the electric sector continue to challenge the reliability of the North American grid," Robb noted. "Therefore, I am asking Vice President Bill Lawrence to take the lead in working with the Regional Entities to engage stakeholders in more meaningful education in this challenging arena."

This initiative will focus on the development, coordination and promotion of physical and cyber security efforts, including sharing of best practices; development of security training and participation in regional and continent-wide security exercises; and supporting NERC, the Regions and industry on matters related to the interface between reliability and security, including providing support for the implementation of risk mitigation priorities recommended by the Reliability Issues Steering Committee (RISC). These efforts will bolster the ongoing security efforts of industry and the ERO Enterprise as a whole.

"I am pleased to accept this new opportunity in which I will continue to focus on security and reliability matters," commented Lawrence. "I enjoyed the opportunity to direct the E-ISAC and am proud of the foundation the team has built there. I know the E-ISAC will continue to grow under Manny Cancel's leadership. I look forward to working with my NERC and regional colleagues to address physical and cyber security matters." In this role, Lawrence will report to Mark Lauby, NERC senior vice president and chief engineer.

### **NERC Publishes History Book Looking Back Over the Last 50 Years**

NERC came to be in June 1968 in the wake of the 1965 Northeast Blackout. Over the past 50 years, NERC matured tremendously and became an independent voice dedicated to the reliability, security and resiliency of the North American bulk power system.

In honor of this evolution and those who played key roles in it, NERC published a history illustrating the challenges and changes of those 50 years. [\*The History of the North American Electric Reliability Corporation\*](#) records NERC's growth from a voluntary international organization formed by electric utilities to the collective ERO Enterprise it is today — one that works jointly with users, owners and operators of bulk power system assets, government partners and other stakeholders and industry participants to benefit nearly 400 million North American citizens.

“History can easily be lost as time passes; people move on, and memories fade,” writes Roy Thilly, NERC Board of Trustees chair, in the book’s foreword. “This project was undertaken to be sure that we preserve the history of the key events of NERC’s first 50 years and recognize the individuals responsible for NERC’s many accomplishments during this period.”

David Nevius, a former NERC senior vice president who played a pivotal role during his 35 years at the company, authored the book.

The electricity industry continues to undergo significant change that is unprecedented for both its transformational nature and rapid pace, presenting both new challenges to reliability and security and opportunities for contributing to system resilience. The ERO Enterprise maintains its dedication to supporting industry while it navigates these changes and reducing existing and emerging risks to the reliability and security of the bulk power system over the next 50 years.

## **Manny Cancel Joins NERC as SVP, CEO of E-ISAC**

NERC is pleased to announce that Manny Cancel joined the organization as NERC senior vice president and chief executive officer of the E-ISAC, effective January 7. Cancel recently retired from ConEdison after a 39-year career, most recently as the chief information officer. He has also supported the Member Executive Committee (MEC), an advisory group formed out of the Electricity Subsector Coordinating Council (ESCC) that provides guidance to the E-ISAC.

In addition to leading the E-ISAC management team, Cancel will serve as the key external face of the E-ISAC to important constituencies, such as the ESCC, government partners and key industry groups. One of his near-term priorities will be to spearhead the next iteration of the E-ISAC Long-Term Strategic Plan.

“The E-ISAC is a critical part of the security fabric of the electricity industry and having an executive of Manny’s stature and experience lead it is a rare and welcome opportunity. Manny will provide valuable insight and guidance to this critical function as the E-ISAC evaluates and refines the products and services provided to

members, which is the key component of setting our priorities,” said Jim Robb, NERC president and CEO. “Over the last two years, the E-ISAC has built a strong foundation with the support of the MEC and its leadership. I know Manny will help us take it to the next level. He is a welcome addition to the NERC team.”

“I’m extremely excited to join the talented team at NERC and the E-ISAC,” Cancel said. “I look forward to working with them and our key stakeholders to further improve the quality and value of the services we provide.”

Cancel earned a Bachelor of Business Administration in Management Information Systems from Baruch College and a Master of Business Administration.

## **Goulding Retires from NERC Board**

David Goulding, NERC Board of Trustees member, announced his retirement from the Board, effective January 1, 2020. Goulding was elected to the Board in 2010 and served in a variety of positions during his more than 35 years of association with NERC. He most recently chaired the Enterprise-wide Risk Committee and served on the Finance and Audit and Nominating Committees.

“Dave’s contributions to NERC, the Board and industry have been extraordinary. He will be sorely missed by our Board and stakeholders,” said Board Chair Roy Thilly. “Dave brought deep operational and management experience to all facets of the Board’s work. He has been instrumental in revamping our Enterprise-wide Risk Committee, providing pivotal oversight of NERC’s corporate risk management program. We are all very grateful for Dave’s long years of service to bulk power system reliability and dedication to the ERO Enterprise. We wish him the best in retirement.”

Goulding also was chair of the Northeast Power Coordinating Council and a regional representative on the MEC. He became president and CEO of the IESO in 1999, a position he held until retiring in 2006.

“I have been pleased to serve on the NERC Board and work with the experts in the North American bulk power system on key reliability and security issues,” Goulding noted. “I will always be a proponent of the need for the unique approach NERC brings to assuring reliability of

the grid.” The Board will begin the search for a new Canadian trustee promptly. ■■■

## Compliance

### Compliance Monitoring and Enforcement Program Annual Report Now Available

This report highlights key ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) activities that occurred in 2019, provides information and statistics regarding those activities and identifies the ERO Enterprise’s 2020 CMEP priorities.

In 2019, CMEP activities throughout the ERO Enterprise reflected continuing implementation of a risk-based approach that has enabled the ERO Enterprise to focus resources on risks to the reliability of the BPS, risks specific to registered entities and risks pertaining to serious noncompliance.

In 2019, the ERO Enterprise:

- Promoted a focus on internal controls in all CMEP activities, ranging from compliance monitoring to mitigation of noncompliance.
- Placed significant emphasis on outreach to industry.
- Assured continuity of the Reliability Coordinator (RC) function by certifying and registering three new RCs for the Western Interconnection.
- Successfully completed the transition of registered entities within the Florida Reliability Coordinating Council Regional Entity (FRCC RE) footprint to SERC following the dissolution of FRCC RE.
- Began implementation of a revised Compliance Oversight Plan process.
- Rolled out the Centralized Organization Registration ERO System (CORES) project and made progress on the Align tool.
- Endorsed Implementation Guidance and CMEP Practice Guides in areas addressing inverter-based resources, supply chain management, BES Cyber System Information and generator frequency and voltage protective relay settings.

- Continued to work on aligning programs across the ERO Enterprise to create greater consistency in its approach to CMEP activities.

In 2020, the ERO Enterprise plans to continue its focus on effective program alignment and harmonization in risk-based compliance monitoring and enforcement. Specific priorities for 2020 include completing and delivering Release 1 of Align, continuing to embed internal control activities within the compliance monitoring program, working as an ERO Enterprise with stakeholder feedback to evaluate compliance monitoring and enforcement processes for efficiency and harmonizing processes where appropriate.

The full report is currently available as **Agenda Item 3** in the [Compliance Committee Agenda Package](#) for the February 5 NERC Board of Trustees Meeting.

### Compliance Guidance Updated

A key factor in the success of compliance monitoring and enforcement of mandatory standards rests on a common understanding among industry and ERO Enterprise CMEP staff of how they can achieve and demonstrate compliance. For many standards, this is straightforward. For others, a variety of approaches may achieve the same objective. Industry develops Implementation Guidance, for industry, and the guidance requires ERO Enterprise endorsement. This guidance provides examples for implementing a standard. NERC posted two new proposed Implementation Guidance documents on the [Compliance Guidance page](#):

- [CIP-005-6, R2.4 and R2.5, Vendor Remote Access \(NATF\)](#)
- [CIP-010-2, R4, Transient Cyber Assets \(NATF\)](#)

### Align Update and Posted Resources

On January 27, the [Align](#) project team hosted a [webinar](#) to provide information on the ERO Enterprise’s approach to collecting, maintaining and securing registered entity evidence and CMEP documentation as well as project enhancements addressing [issues related to collection and securing of data and evidence](#). More than 765 stakeholders attended the meeting, demonstrating industry’s engagement and interest in the project.

The webinar focused on the ERO Enterprise’s approach to collecting and maintaining CMEP information and ERO Enterprise work papers and workflow within the Align tool as well as enhancements to existing work paper development processes to support conclusions without the need to store data for extended periods. The project team also introduced an evidence locker technology approach, separate from Align, where registered entity evidence will be submitted.

If you have any questions about the webinar content, please contact the [Align project team](#). All questions are welcome. Answers will be posted on the [Align FAQ page](#).

### Webinar Resources Posted

NERC posted the [recording](#) of the 2020 ERO CMEP Implementation Plan webinar.

### Nomination Period Open for Compliance and Certification Committee

The Compliance and Certification Committee (CCC) is requesting nominations through **February 12, 2020** to fill the vacant positions listed below. The CCC engages with support and advises the NERC Board of Trustees and NERC’s staff regarding all facets of the CMEP, Organization Registration Program and Organization Certification Program.

The following voting positions are currently open for nominations to the CCC:

- 2 – Large End-Use Electricity
- 1 – Small End-Use Electricity
- 1 – U.S. State
- 1 – U.S. Federal
- 1 – Canadian Federal
- 1 – Canadian Provincial
- 1 - Merchant Electricity Generator

The CCC has an open nomination process. Individuals or recognized industry groups may nominate candidates for consideration. A nominee that represents a [NERC member](#) may only be nominated for a sector that matches the NERC member’s sector under the NERC

membership list. Terms will be for three years, effective after Board approval. Please review the [CCC Charter](#) for information regarding the responsibilities of CCC members. New members are encouraged to attend any scheduled CCC meetings after selection by the CCC Nominating Subcommittee. The next regularly scheduled CCC meeting is March 10–11, 2020 in Austin.

If you are interested in serving as or nominating a member to the NERC Compliance and Certification Committee, please complete the [nomination form](#) and send it to [CCCElections@nerc.net](mailto:CCCElections@nerc.net) by **February 12, 2020**.



### Reliability Risk Management

#### Registration Open for NATF-EPRI-NERC Transmission Resiliency Summit

Co-sponsored by the North American Transmission Forum (NATF), Electric Power Research Institute (EPRI), and NERC, this summit, hosted by the Salt River Project, will bring together stakeholders involved in improving the resiliency of the North American Electric Transmission System. The summit will be held March 31–April 1, 2020, in Tempe, Arizona.

This Transmission Resiliency Summit is a continuation of summits that EPRI and NATF have hosted for their members on resiliency and related topics. Please [register](#) to attend by March 15, 2019. There is no registration fee for members to attend, but registration is required.

#### Save the Date for Electric Power Human Performance Improvement Symposium

The inaugural [Electric Power Human Performance Improvement Symposium](#), a collaboration between the ERO Enterprise and NATF, will take place on September 29–October 1, 2020, in Denver, Colorado. Industry representatives and subject matter experts from across the country will gather to share ideas and transfer knowledge about human performance principles and their application in

electric power organizations. Please mark your calendars, and join us in Denver this fall as we work to improve the reliability and security of the grid through human performance. Together, we are stronger!

## Webinar Resources Posted

NERC posted the [presentation](#) and [streaming webinar](#) from the January 9, 2020 ERO Event Analysis Process and Appendices – Version 4.0 webinar. ■■■

## Standards

With the implementation of the [Align Project](#) in 2020, there will be changes to the [Reliability Standards web page](#) and associated reports, including the One-Stop Shop, U.S. Effective Date Status/Functional Applicability spreadsheet and VRF and VSL matrices. We will provide more details in the coming months.

## Nomination Period Open for Standards Committee Segments 4, 7 and 9 Special Election

Standards Committee (SC) Chair, Amy Casuscelli, notified NERC that the following Segments have vacancies:

- Segment 4, Transmission Dependent Utilities (TDUs), currently has a vacancy for the 2020–2021 term.
- Segment 7, Large Electricity End Users, currently has a vacancy for the 2020–2021 term.
- Segment 9, Federal, State and Provincial Regulatory or other Government Entities, currently has a vacancy for the remainder of the 2019–2020 term and 2020–2021 term.

Registered Ballot Body (RBB) members and others interested in NERC Reliability Standards are encouraged to submit nominations for industry segment representatives on the SC. Reliability Standards are mandatory for all bulk power system owners, operators and users in North America, and the SC's oversight role is therefore increasingly important. The SC consists of two members from each of the ten Industry Segments that make up the RBB. In addition, Appendix 3B of the Rules

of Procedure contains special provisions to be used to achieve a balance of representation between the United States and Canada.

Industry stakeholders elect standards committee members who report directly to the NERC Board. The SC meets up to twelve times each year, with four face-to-face meetings and the remainder by conference call. The [SC Charter](#) provides a description of the SC's responsibilities.

Nominations are being accepted through **February 13, 2020** in preparation for a special election for Segments 4, 7, and 9. Anyone may submit a nomination. To be eligible for nomination, a nominee shall be an employee or agent of an entity belonging in the applicable Segment. To allow verification of affiliation, a nominee must be a registered user in the NERC [RBB](#). It is not required that the nominee be the same person as the entity's RBB representative for the applicable Segment. Instructions are provided in the [Election of Members of the NERC SC Procedure](#) and nomination forms are posted on the [SC Election web page](#).

To submit a nomination, complete the nomination form and submit to [Linda Jenkins](#) no later than **February 13**. Once received, the SC will post the nominations will be posted on the [Nominations and Election web page](#). The SC will hold the special election February 24–March 4, 2020 and announce the result shortly after.

## Webinar Resources Posted

NERC posted the [presentation](#) and [streaming webinar](#) from the January 16, 2020 Project 2019-02 BES Cyber System Information Access Management webinar. ■■■

## Regional Entity Events

### [Midwest Reliability Organization \(MRO\)](#)

- **Security Advisory Council Meeting**, February 27 [Details](#)
- **CMEP Advisory Council Meeting**, March 4 [Details](#)
- **Reliability Advisory Council Meeting**, April 1 [Details](#)

- **Organizational Group Oversight Meeting**, April 1 | [Details](#)
- **Board of Directors Meeting**, April 2 | [Details](#)

## [ReliabilityFirst \(RF\)](#)

- **Internal Control Workshop**, February 12 | [Details](#)
- **Spring Reliability Workshop**, April 21–23 | [Details](#)

## [SERC Reliability Corporation](#)

- **SERC 101 Webinar**, February 10 | [Details](#)
- **Spring Compliance Seminar**, March 10–11 | [Details](#)
- **Small Entity Seminar**, March 11 | [Details](#)
- **CORES Data Workshop**, March 12 | [Details](#)
- **System Operator Conference #1**, April 7–9 | [Details](#)
- **System Operator Conference #2**, April 28–30 | [Details](#)

## [Texas RE](#)

- **Texas RE Board and MRC Meetings**, February 19 | [Details](#)
- **Talk with Texas RE: PRC-002-2**, February 20 | [Details](#)
- **Talk with Texas RE: Upcoming CIP Standards**, March 19 | [Details](#)
- **Spring Standards and Compliance Workshop**, April 8–9 | [Details](#) ■■■

## [Upcoming Events](#)

For a full accounting of NERC events, such as meetings and conference calls for standard drafting teams, other standing committees, subcommittees, task forces and working groups, please refer to the [NERC calendar](#).

- **Project 2019-03 – Cyber Security Supply Chain Risks Webinar** – 1:00–2:30 p.m. Eastern, February 4 | [Register](#)
- **Board of Trustees Committees, Member Representatives Committee, and Board of Trustees Meetings** – February 5–6, Manhattan Beach, Calif. | [Register](#)

- **Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee Meetings** – March 3–4, Atlanta | [OC Registration](#) | [PC Registration](#) | [CIPC Registration](#)
- **Reliability and Security Technical Committee Meeting** – March 4, Atlanta | [Register](#)
- **NATF-EPRI-NERC Transmission Resiliency Summit** – March 31–April 1, Tempe, AZ | [Register](#)
- **Electric Power Human Performance Improvement Symposium** – September 29–October 1, Denver | **SAVE THE DATE**
- **GridSecCon 2020** – October 20–23, Houston, Texas | **SAVE THE DATE** ■■■

## [Filings](#)

### [NERC Filings to FERC in January](#)

*January 2, 2020*

[Order 835 BAL-002-2 Informational Filing](#) | NERC submits its report on the implementation of Reliability Standard BAL-002-2 – Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event in fulfillment of a directive in FERC Order No. 835.

*January 24, 2020*

[Joint Reply of NERC and SERC Reliability Corporation to Comments of Public Citizen Inc.](#) | NERC and SERC submitted a response to Public Citizen Inc.'s comments on the December 20, 2019 joint petition submitted by NERC and SERC requesting approval to amend SERC's Bylaws.

### [There were no Canadian filings to FERC in January](#)

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## [Careers at NERC](#)

### [Enforcement Analyst](#)

Location: Washington, D.C.

[Details](#)

### [Legal and Regulatory](#)

Location: Washington, D.C.

[Details](#)

### [Senior CIP Technical Advisor](#)

Location: Atlanta

[Details](#)

## **Senior Engineer Event Analysis**

Location: Atlanta

[Details](#)

## **Senior Auditor Internal Audit and Corporate Risk Management**

Location: Atlanta

[Details](#)

## **Facilities Manager**

Location: Atlanta

[Details](#) ■ ■ ■