

NERC News

October 2020

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ERO Executive Spotlight – Kelly Hanson

Align Project Focuses on ERO Enterprise Training and 2021 Deployment Schedule

Since joining NERC in July, I have had an opportunity to see a demonstration of the new Align software product that will be deployed in three phases starting at the end of the first quarter of 2021. I have also been briefed on the business process changes that will accompany this very important technology investment for the ERO Enterprise. I am very impressed with the expertise around the Align Project, the amount of teamwork that is occurring and the amount of collaboration between NERC, the Regional Entities and our stakeholder community.



The Align team is focusing on Release 1 training and recently conducted the first “Train-the-Trainer” session for NERC and regional training leads. This session introduced participants to the various training materials and tools developed by NERC to guide and support regional training efforts, including a comprehensive train-the-trainer guide with exercises and scenarios. The training leads are currently developing Region-specific plans for delivering training to all NERC, regional, and registered entity staff who will be impacted by Release 1 activities.

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Align Project (cont'd)

As part of ongoing efforts to prepare the ERO Enterprise for upcoming process and technology changes, the Align team is launching a short, change-readiness assessment survey in early November. This survey, which will go out to registered entities, is part of a series designed to monitor the levels of change readiness across the ERO Enterprise. Your candid feedback is valuable in helping the team identify areas where additional training, communication and stakeholder engagement activities are required.

I am pleased to join the NERC team and be a part of the ERO Enterprise. I want to thank everyone for your support of the Align project team and for your continued engagement as we approach 2021. I encourage you to visit the [Align page](#) on the NERC website for more information. I appreciate the hard work done by the Align project team and the invaluable feedback from registered entities. I am excited about how this transformative project supports the needs of the ERO Enterprise and provides our stakeholders with a single, common portal, enabling consistency of experience.

Kelly Hanson is senior vice president and chief administrative officer at NERC. ■■■

Headlines

ERO Enterprise Further Extends Self-Logging Program Expansion and Deferral of On-Site Activities

In May, the ERO Enterprise released [guidance](#) that provided additional regulatory relief related to registered entities' coronavirus response and temporarily expanded the Self-Logging Program. Due to the ongoing pandemic, the ERO Enterprise is extending this expansion until the end of Q1 2021, to allow all registered entities to self-log instances of potential noncompliance with minimal or moderate risk related to their coronavirus response.

Additionally, in March, the ERO Enterprise postponed on-site audits and other on-site activities through the end of 2020. NERC has extended this further until the

end of Q1 2021. This will allow registered entities to continue to focus their resources on keeping their workforces safe and the lights on. In coordination with registered entities, the ERO Enterprise has had success throughout 2020 in coordinating remote virtual audits and other activities that were originally scheduled to be on-site in 2020. The ERO Enterprise will return to on-site activities as it becomes safe to do so and in a manner that prioritizes risk.

During this challenging time, the ERO Enterprise recognizes the importance of prioritizing the health and safety of personnel and the continued reliability and security of the bulk power system. We will continue to evaluate the circumstances based on risk and safety priorities to determine whether additional guidance and extensions are needed. [Updated Guidance](#) | [CMEP One-Stop-Shop](#)

Statement on FERC October Open Meeting Action

At its monthly open meeting on October 15, the Federal Energy Regulatory Commission (FERC) took action on a key reliability item, issuing a [notice of proposed rulemaking](#) for regional Reliability Standard BAL-002-WECC-3 – Contingency Reserve. The proposed regional standard, submitted jointly by NERC as the Electric Reliability Organization and the Western Electricity Coordinating Council (WECC), applies to balancing authorities and reserve sharing groups in the WECC Region and specifies the quantity and types of contingency reserve required to ensure reliability under normal and abnormal conditions.

While FERC proposes to approve the standard, it directs NERC and WECC to submit an informational filing 27 months following the standard's implementation that addresses the adequacy of contingency reserves in the Western Interconnection.

NERC and WECC appreciate FERC's action and will continue to work with toward assuring the reliability of the North American bulk power system.

Statement on National Cybersecurity Awareness Month

October was [National Cybersecurity Awareness Month](#), which focused on raising awareness about the importance of cyber security to ensure that end-users have the resources needed to be safer and more secure online. The Department of Homeland Security began National Cybersecurity Awareness Month in 2004, and it has taken on new meaning during the current pandemic, noted Manny Cancel, NERC senior vice president and CEO of the organization's Electricity Information Sharing and Analysis Center (E-ISAC).

"As NERC, the electricity industry and much of the country continue the pandemic-driven remote work posture, NERC and the E-ISAC remain mindful of the increased cyber risk posed by an unprecedented amount of telework," Cancel said. "Consequently, cyber adversaries are ramping up their efforts to attack the business and industrial control networks of asset owners and operators that manage the North American bulk power system. National Cybersecurity Awareness Month raises awareness about the importance of cyber security across our nation and reminds us to continue being vigilant against threats that include phishing attacks and ransomware."

The E-ISAC encourages its members to practice good cyber hygiene, apply security patches as soon as possible and share cyber incident information with the E-ISAC.

On October 1, the E-ISAC became a 2020 [Cybersecurity Awareness Month Champion](#) of the Cyber Security Alliance. The alliance's champions comprise a wide range of public and private sector organizations dedicated to promoting a safer, more secure and trusted internet.



Compliance

Compliance Monitoring and Enforcement Program Quarterly Report Now Available

This report highlights key ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) activities that occurred in Q3 2020 and provides information and statistics regarding those activities. In Q3 2020, CMEP activities throughout the ERO Enterprise reflected

continued implementation of a risk-based approach and program alignment. The ERO Enterprise:

- Worked with FERC and Canadian provincial authorities to provide guidance to the industry regarding regulatory discretion during the novel coronavirus (COVID-19) pandemic, posted frequently asked questions from industry regarding such guidance and temporarily expanded the Self-Logging Program to address minimal and moderate risk potential noncompliance related to registered entities' coronavirus response efforts to allow them to focus on maintaining the reliability of the bulk power system;
- Began implementation of a new process for filing and submittal of CIP noncompliance information to FERC in which NERC requests that FERC treat the entire filing or submittal as Critical Energy/Electric Infrastructure Information (CEII) and does not publicly post redacted CIP noncompliance information;
- Addressed FERC directives in its order accepting NERC's *Five-Year Performance Assessment* through proposed revisions to the NERC Rules of Procedure and required compliance filings;
- Continued development of the Align tool and supporting documentation and training materials;
- Continued the rollout of the Centralized Organization Registration ERO System (CORES) tool;
- Filed three Full Notices of Penalty (Full NOPs) and four Spreadsheet Notices of Penalty (SNOPs);
- Monitored RE implementation of Compliance Oversight Plans (COPs) for their registered entities;
- Conducted five remote site-visits to evaluate changed conditions related to organization certification; and
- Processed over 40 registration changes.

Please note the full report is currently available in the [Compliance Committee Agenda Package](#) as Agenda Item 6.

2021 ERO Enterprise Data Submittal Schedule and 2021 ERO Compliance Monitoring and Enforcement Program Implementation Plan Posted

NERC posted the [2021 ERO Enterprise Data Submittal Schedule](#) and the [2021 ERO Compliance Monitoring and Enforcement Program \(CMEP\) Annual Implementation Plan \(Implementation Plan\)](#) on the NERC website. The Implementation Plan includes the annual identification and prioritization of risk elements. The ERO identifies and prioritizes risks following the Risk Elements Development Process, which is available as Appendix C in the [ERO Enterprise Guide for Compliance Monitoring](#). The risk elements are becoming more risk-based this year, as risks selected for increased focus are more specific than previously.

CORES Survey Available

The ERO Enterprise is seeking feedback regarding functionality on the ERO Portal regarding registration activities. NERC sent the survey invitation to primary compliance contacts and alternate compliance contacts on October 16 and included a [Survey Monkey link](#). The survey, which is open for 30 days, asks questions regarding user experience with CORES functionality, in particular New Entity Registrations and My Entity updates. There are four parts to the survey, including the ERO Portal, New Registrations, My Entity and Training. The ERO Enterprise will use the survey results to focus on enhancing future releases with the registered entities' perspective. Survey Monkey estimated that most respondents would be able to complete the survey between 1–7 minutes.

Reliability Standard Audit Worksheet Posted

NERC posted a new Reliability Standard Audit Worksheet (RSAW) for [PRC-012-2 – Remedial Action Schemes](#) to the [RSAW page](#) under the heading “Current RSAWs for Use.” The effective date of the standard is January 1, 2021, and it applies to Reliability Coordinators, Planning Coordinators, certain Transmission Owners, Generator Owners and Distribution Owners that own all or part of a Remedial Action Scheme. PRC-012-2 will replace PRC-015-1 and PRC-016-1.

RSAs are guides provided by the ERO Enterprise that describe types of evidence that registered entities may use to demonstrate compliance with a Reliability Standard. The ERO Enterprise drafts these worksheets, which include information regarding how the ERO Enterprise may assess evidence, during the development of their corresponding NERC Reliability Standards, allowing for enhanced transparency around compliance expectations. ■■■

Reliability Risk Management

Lesson Learned Posted

NERC posted one new [lesson learned](#). The [Single Phase Fault Precipitates Loss of Generation and Load](#) Lesson Learned addresses an incident in which a single phase-to-ground fault on a 400 kV transmission line in Southern England precipitated the loss of 1,878 MW of generation. This led to a frequency decline that resulted in a loss of 931 MW of load. This European event has lessons applicable in North America, and is of primary interest to Transmission Operators, Generation Operators, Balancing Authorities and Reliability Coordinators.

A successful Lesson Learned document clearly identifies the lesson, contains sufficient information to understand the issues, visibly identifies the difference between the actual outcome and the desired outcome and includes an accurate sequence of events, when it provides clarity.

MISO Adopts NERC's Inverter-Based Resource Recommendations in Interconnection Process

The Midcontinent Independent System Operator (MISO) amended its generator interconnection procedures to include NERC's recommendations on interconnection requirements for inverter-based resources after receiving approval from FERC. The revisions, which became effective on October 6, included improvements tied to momentary cessation, phase jump immunity and monitoring and protection settings, as laid out in NERC's September 2019 Reliability Guideline on bulk power system-connected inverter-based resources.

The [NERC Reliability Guideline: Bulk Power System-Connected Inverter-Based Resource Performance](#), published in September 2018, provided recommended performance specifications and a repository of technical reference material regarding inverter-based resource behavior during normal grid operation and disturbances. While these recommendations are applicable to all inverter-based resources connected to the bulk power system (including Bulk Electric System (BES) and non-BES resources), many of the recommended specifications are not mandatory nor enforceable. Further, the majority of resources connected to the bulk power system are not subject to NERC Reliability Standards since they have a capacity of less than 75 MVA. Therefore, Transmission Owners and Transmission Service Providers requested that NERC develop guidance to strengthen and clarify their interconnection requirements, interconnection agreements, grid code requirements and other operating guides.

The September 2019 [Reliability Guideline: Improvements to Interconnection Requirements for Bulk Power System-Connected Inverter-Based Resources](#) built off of the previous guideline and provided guidance for developing clearer and more consistent interconnection requirements for newly interconnecting bulk power system-connected inverter-based resources. It is particularly important that the local interconnection requirements, per NERC FAC-001-3, and interconnection studies, per NERC FAC-002-2, evolve with evolving technologies and the capabilities of inverter-based resources.

FERC agreed with MISO that the revisions to its generator interconnection procedures would aid in the protection of the bulk power system by prohibiting momentary cessations by inverter-based resources, establishing the conditions under which an inverter must not trip, requiring the collection of specific data to monitor resource performance and event analysis and specifying inverter protection settings. ■■■

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. NERC will provide more details in the coming months.

Resources Posted

NERC posted the:

- [Streaming webinar](#) and [slide presentation](#) for the Project 2016-02 – Modifications to CIP Standards | Virtualization webinar
- [Streaming webinar](#) and [slide presentation](#) for the BAL-003-2 Requirement Training webinar
- [Streaming webinar](#) and [slide presentation](#) for the PRC-024-3 Requirement Training webinar ■■■

Regional Entity Events

ReliabilityFirst (RF)

- [Technical Talk with RF](#), November 16

Midwest Reliability Organization (MRO)

- [Security Advisory Council Meeting](#), November 5
- [Reliability Advisory Council Meeting](#), November 18
- [CMEP Advisory Council Meeting](#), November 19
- [MRO Annual Member and Board of Directors Meeting](#), December 3

Northeast Power Coordinating Council, Inc. (NPCC)

- [NPCC Fall 2020 Compliance and Standards Webinar](#), November 18

SERC Reliability Corporation

- [O&P Compliance Seminar](#), November 10–11

Texas RE

- [Talk with Texas RE – CIP: Malicious Code](#) November 18
- [Talk with Texas RE – Standards Update](#) November 19 ■■■

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](#).

- **Board of Trustees Committees, Member Representatives Committee, Board of Trustees Quarterly Meetings** – November 4–5 | [Register](#) | [Schedule of Events](#)
- **Monitoring and Situational Awareness Technical Conference Session 3** – November 10 | [Register](#)
- **Implementation Guidance Webinar** – 12:00–1:00 p.m. Eastern, November 18 | [Register](#)
- **2020 EPRI-NERC-NATF Power System Modeling Webinar** – 2:00–4:00 p.m. Eastern, November 19 | [Register](#)
- **Standards Committee Meeting** – 1:00–3:00 p.m. Eastern, December 9 | [Register](#) ■ ■ ■

Filings

NERC Filings to FERC in October

October 14, 2020

[Petition for Approval of the Amended and Restated Bylaws of the North American Electric Reliability Corporation](#) | NERC submits its petition for approval of the amended and restated bylaws.

October 27, 2020

[Joint Petition of NERC and WECC for approval of PRC-006-5](#) | NERC and WECC submit to FERC a petition for approval of proposed Reliability Standard PRC-006-5.

NERC Canadian Filings to FERC in October

October 13, 2020

[NERC 2021 Budget Filing](#) | [WECC Attachments](#) ■ ■ ■