

## Agenda

### Board of Trustees

November 4, 2021 | 2:00-5:00 p.m. Eastern  
Virtual Meeting

**ATTENDEE Webex Link:** [Join Meeting](#)

#### Call to Order

#### NERC Antitrust Compliance Guidelines\*

#### Introduction and Chair's Remarks

#### Consent Agenda – Approve

##### 1. Minutes\*

- a. September 28, 2021 Meeting
- b. August 12, 2021 Meeting

##### 2. Committee Membership and Charter Amendments\*

- a. Compliance and Certification Committee Confidentiality Protocol and Compliance and Certification Committee's Participation in NERC's Audits of CMEP Programs
- b. Compliance and Certification Committee Membership and Leadership
- c. Reliability and Security Technical Committee Proposed Charter Amendments
- d. Standards Committee Proposed Charter Amendments
- e. Standards Committee Leadership
- f. Personnel Certification Governance Committee Membership

#### Regular Agenda

##### 3. Remarks and Reports

- a. Welcome Remarks by Stan Connally, Jr., Executive Vice President of Operations, Southern Company
- b. Remarks by Mark Christie, Commissioner, FERC
- c. Remarks by Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, DOE
- d. Remarks by David Morton, CAMPUT Representative to NERC
- e. President's Report
- f. Report on the September 28 and November 1, 2021 Closed Meetings

##### 4. Board Committee Reports

- a. Corporate Governance and Human Resources

- i. Board of Trustees Compensation - **Approve**
  - b. Compliance
  - c. Finance and Audit
    - i. Third Quarter Statement of Activities – **Accept**
    - ii. Investment Policy – **Approve**
  - d. Enterprise-wide Risk
  - e. Technology and Security
  - f. Nominating
  - g. Report by Jim Piro on Standards and RSTC Quarterly Activities
- 5. Standards Quarterly Report and Actions\***
- a. 2022-2024 Reliability Standards Development Plan – **Approve**
  - b. PRC-006-SERC-03 – Automatic Underfrequency Load Shedding - **Adopt**
  - c. Critical Infrastructure Protection Board Resolution Updates - **Information**

**BREAK – 15 MINS**

- 6. Other Matters and Reports**
- a. Policy Input and Member Representatives Committee Meeting – **Discussion**
  - b. 2022 ERO Enterprise Work Plan Priorities\* – **Approve**
  - c. 2021 Long-Term Reliability Assessment Preview\* – **Information**
  - d. 2021-2022 Winter Reliability Assessment Preview\* – **Information**
- 7. Committee Reports**
- a. Member Representatives Committee
  - b. Personnel Certification Governance Committee\*
  - c. Standards Committee\*
  - d. Compliance and Certification Committee\*
  - e. Reliability and Security Technical Committee\*
  - f. Reliability Issues Steering Committee\*
  - g. Electricity Subsector Coordinating Council
- 8. Forum and Group Reports**
- a. North American Energy Standards Board
  - b. North American Transmission Forum\*
  - c. North American Generator Forum\*
- 9. Other Matters and Adjournment**

\*Background materials included.

# Antitrust Compliance Guidelines

## I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

## II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

### **III. Activities That Are Permitted**

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

## DRAFT Minutes Board of Trustees

September 28, 2021 | 12:35–12:50 p.m. Eastern  
Virtually via WebEx

### Call to Order

Mr. Kenneth W. DeFontes, Jr., Chair, called to order the duly noticed open meeting of the Board of Trustees (the “Board”) of the North American Electric Reliability Corporation (“NERC” or the “Corporation”) on September 28, 2021, at 12:35 p.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

### Board Members

Kenneth W. DeFontes, Jr., Chair  
Robert G. Clarke, Vice Chair  
Jane Allen  
George S. Hawkins  
Larry Irving  
Suzanne Keenan  
Susan Kelly  
Robin E. Manning  
Jim Piro  
James B. Robb, NERC President and Chief Executive Officer  
Colleen Sidford  
Roy Thilly

### NERC Staff

Tina Buzzard, Assistant Corporate Secretary  
Erika Chanzas, Manager of Business Planning  
Kelly Hanson, Senior Vice President, Chief Administrative Officer  
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary  
Lauren Perotti, Senior Counsel  
Andy Sharp, Vice President and Chief Financial Officer

### NERC Antitrust Compliance Guidelines

Ms. Buzzard noted the public nature of the meeting and directed the participants’ attention to the NERC Antitrust Compliance Guidelines included in the advance meeting materials. She stated that any additional questions regarding these guidelines should be directed to Ms. Mendonça.

### Introduction and Chair’s Remarks

Mr. DeFontes welcomed all of the attendees to the meeting, noting the purpose of the meeting is to authorize staff to enter into a new Atlanta office lease and approve an amendment to the 2022 NERC Business Plan and Budget as recommended by the Finance and Audit Committee.

## **Authorization for New Atlanta Office Space and Amendment to the 2022 NERC Business Plan and Budget**

Mr. Clarke presented management's request for the Board to consider, upon recommendation of the Finance and Audit Committee, the material terms of a new lease agreement for NERC's Atlanta office and an amendment to the NERC 2022 Business Plan and Budget. He noted that the proposed amended budget was posted for public comment and feedback was solicited from the Member Representatives Committee.

Upon discussion, and upon motion duly made and seconded, the Board adopted the following resolutions:

**RESOLVED**, that the Board hereby approves management's request for authorization to execute a final lease agreement for NERC's Atlanta office in terms materially consistent with those presented.

**FURTHER RESOLVED**, that the Board approves the proposed amended NERC 2022 Business Plan and Budget, as presented to the Board at this meeting.

**FURTHER RESOLVED**, that the Board confirms that the exigency of the circumstances necessitated the use of a shortened comment period for the amendment.

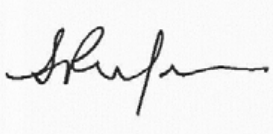
**FURTHER RESOLVED**, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

Mr. DeFontes noted the significant cost savings of the Atlanta office move and other benefits and thanked staff for their work on this effort.

## **Adjournment**

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Mendonça  
Corporate Secretary

## DRAFT Minutes Board of Trustees

August 12, 2021 | 2:00 – 5:00 p.m. Eastern  
WebEx

### Call to Order

Mr. Kenneth W. DeFontes, Jr., Chair, called to order the duly noticed open meeting of the Board of Trustees (the “Board”) of the North American Electric Reliability Corporation (“NERC” or the “Corporation”) on August 12, 2021, at 2:00 p.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

### Board Members

Kenneth W. DeFontes, Jr., Chair  
Robert G. Clarke, Vice Chair  
Jane Allen  
George S. Hawkins  
Larry Irving  
Suzanne Keenan  
Susan Kelly  
Robin E. Manning  
Jim Piro  
James B. Robb, NERC President and Chief Executive Officer  
Colleen Sidford  
Roy Thilly

### NERC Staff

Tina Buzzard, Assistant Corporate Secretary  
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC  
Howard Gugel, Vice President, Engineering and Standards  
Kelly Hanson, Senior Vice President, Chief Administrative Officer  
Marisa Hecht, Counsel  
Stan Hoptroff, Vice President, Business Technology  
Soo Jin Kim, Director, Power Risk Issues Management  
Mark Lauby, Senior Vice President and Chief Engineer  
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary  
John Moura, Director, Reliability Assessment and Technical Committees  
Lauren Perotti, Senior Counsel  
Donna Pratt, Performance Analysis Manager  
Janet Sena, Senior Vice President, External Affairs  
Andy Sharp, Vice President and Chief Financial Officer  
Mechelle Thomas, Vice President, Compliance

## **NERC Antitrust Compliance Guidelines**

Ms. Buzzard noted the public nature of the meeting and directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the advance meeting materials. She stated that any additional questions regarding these guidelines should be directed to Ms. Mendonça.

## **Introduction and Chair's Remarks**

Mr. DeFontes welcomed all of the attendees to the meeting, including Mr. Andre Bernier, Acting Assistant Deputy Minister, Natural Resources Canada ("NRCan"); Commissioner Alison Clements from the Federal Energy Regulatory Commission ("FERC"); Ms. Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, Department of Energy; and Mr. Francis Bradley, President & CEO, Canadian Electricity Association ("CEA"). He remarked upon the challenges to reliability in the previous year and expressed his confidence that NERC and its stakeholders would rise to meet them.

Mr. DeFontes noted that the November 2021 Board meeting would likely be in a virtual format, but the final decision would be made after Labor Day.

## **Consent Agenda**

Upon motion duly made and seconded, the Board approved the consent agenda as follows:

### **Minutes**

The draft minutes for the June 11, 2021 and May 13, 2021 meetings were approved as presented to the Board at this meeting.

## **Committee Membership and Charter Amendments**

### **Personnel Certification Governance Committee Proposed Charter Amendments**

**RESOLVED**, that the Board hereby approves the amended Personnel Certification Governance Committee ("PCGC") Charter, substantially in the form presented to the Board at this meeting, to replace the PCGC Charter approved by the Board on May 5, 2016.

### **Procedure for Selection of Members to the Compliance and Certification Committee**

**RESOLVED**, that the Board hereby approves the revised Compliance and Certification Committee procedure document CCCPP-013-2, Procedure for the Selection of Members to the NERC Compliance and Certification Committee, substantially in the form presented to the Board at this meeting.

## **MRO Regional Reliability Standards Process Manual**

**RESOLVED**, that the Board hereby approves the Midwest Reliability Organization Regional Reliability Standards Process Manual, substantially in the form presented to the Board at this meeting.

**FURTHER RESOLVED**, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.



## **Regular Agenda**

### **Remarks by Andre Bernier, Acting Assistant Deputy Minister, NRCan**

Mr. DeFontes introduced Assistant Deputy Minister Bernier of NRCan. Mr. Bernier highlighted the strength of cross-border partnerships in advancing a safe, reliable, and resilient power grid in North America. He remarked on the challenges posed by the transforming North American power grid, the changing climate, and cybersecurity concerns. Mr. Bernier discussed some of the efforts being undertaken by the Canadian government to support industry in addressing these issues and highlighted the importance of continued cross-border collaboration.

### **Remarks by Alison Clements, Commissioner, FERC**

Mr. Robb introduced Commissioner Clements of FERC. Commissioner Clements remarked that much has changed since the original enactment of the Federal Power Act and its 2005 revision to create the Electric Reliability Organization. She remarked that FERC, NERC, and its stakeholders need to consider new regulatory approaches to address the quick-moving challenges posed by extreme weather and the changing resource mix. Commissioner Clements referred to a recently-opened proceeding at FERC to address transmission planning challenges and welcomed stakeholders to submit comments. She also remarked on discussions and developments in the West to address issues affecting that area.

### **Remarks by Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, DOE**

Mr. DeFontes introduced Ms. Hoffman of the Department of Energy (“DOE”). Ms. Hoffman remarked on the strength of the agency’s partnerships with NERC, FERC, and the Canadian government and the importance of information sharing to address the challenges facing the North American grid. She discussed the agency’s investments in cyber security, electrification, and infrastructure and the need to continue focusing on identifying cost-effective investments to meet reliability and resiliency challenges.

### **Remarks by Francis Bradley, President & CEO, CEA**

Mr. Robb introduced Mr. Bradley of CEA. Mr. Bradley began his remarks by acknowledging the indigenous peoples and cultures of Canada. He remarked that the U.S./Canadian cross-border partnerships represent one of the greatest strengths of the industry, and these partnerships help the industry advance reliability, resilience, and security and address the challenges posed by extreme weather and the changing resource mix and cyber security threats.

### **President’s Report**

Mr. Robb provided the president’s report. He noted that 18 years has elapsed since the August 2003 blackout, and NERC and its U.S. and Canadian stakeholders remain committed to addressing reliability and security issues in North America. Mr. Robb noted that the Board will consider the proposed NERC and Regional Entity budgets at this meeting, and he reported that NERC is taking advantage of local real estate market conditions to generate significant cost savings, both in the proposed 2022 budget and in future years. He thanked stakeholders for their work and inputs during the budget process. Mr. Robb also reported on the status of NERC’s efforts to recruit a new vice president for people and culture.

Mr. Robb recalled that the Board focused on three priorities for 2021: energy assurance, the changing ecosystem/resource mix, and cybersecurity. He reported on efforts undertaken since the last meeting to address these priorities, including advancing winter preparedness, actions taken in response to the Department of Energy 100-day plan for cybersecurity, and the deployment of Align release 2. Mr. Robb remarked on the need to continue to work together to successfully address the challenges facing today’s North American electric grid.

Mr. Robb then introduced Ms. Sara Patrick, President and CEO of the Midwest Reliability Organization (MRO) and co-chair of the ERO Enterprise Executive Committee, to provide additional comments. Ms. Patrick highlighted the importance of electricity to modern life. She emphasized the important role the ERO Enterprise plays in mitigating

the risks to the reliability and security of the North American electric grid, both through mandatory Reliability Standards and other industry outreach and education efforts.

### **Report on the July 7 and August 11, 2021 Closed Meetings**

Mr. DeFontes reported that on July 7, 2021 and August 11, 2021 (as is its custom), the Board met in closed session with NERC management to review NERC management activities. On July 7, the Board authorized a new office lease for the Washington, D.C. office, which will provide significant cost savings. On August 11, the Board discussed the Board's resolutions for this meeting, policy input, Reliability Standards proposed for adoption, and the draft 2022 ERO Enterprise Work Plan Priorities. The Board also discussed human resource matters and met in executive session with the General Counsel to discuss legal issues.

Ms. Sidford reported that the Board met with Canadian regulators on August 10, 2021. The participants received an update on the February 2021 cold weather event affecting the south central United States, and they discussed key topics including critical infrastructure dependencies, cyber activity, standards and enforcement, and Regional Entity activities relating to Canada.

### **Board Committee Reports**

#### **Corporate Governance and Human Resources**

Mr. Hawkins, Committee Chair, reported on the closed meetings on June 11, 2021, July 7, 2021 and August 9, 2021. At the closed meetings, the Committee met with Meridian Compensation Partners regarding several compensation studies, heard presentations regarding the newly created NERC Employee Resource Groups, and addressed human resources issues. At the Committee's open meeting on August 11, 2021, the Committee reviewed questions for the forthcoming Board self-assessment and Member Representatives Committee ("MRC") assessment of Board effectiveness survey and received an extended update on NERC's human resources initiatives.

#### **Compliance**

Mr. Manning, Committee Chair, reported on the Committee's closed meeting on August 10, 2021. At this meeting, the Committee received updates on the FERC/ERO Enterprise 2021 cold weather inquiry and critical infrastructure protection activities, including activities to support the Department of Energy 100-Day Plan, COVID Impacts to CIP-014, and reporting under CIP-008. The Committee also reviewed the ERO Enterprise's Facility Ratings Strategy, received the quarterly Compliance Monitoring and Enforcement Program (CMEP) report, and discussed Canadian standards and CMEP issues.

#### **Finance and Audit**

Mr. Clarke, Committee Chair, reported on the July 7, 2021 and August 9, 2021 closed meetings of the Committee. At these meetings, the Committee received updates on the draft NERC 2022 Business Plan and Budget and office lease options, among other matters. He also reported that the Committee held webinars on the first and second drafts of the 2022 NERC Business Plan and Budget on June 3, 2021 and July 22, 2021, respectively.

At its August 11, 2021 open meeting, the Committee took action on several items. First, Mr. Clarke reported that the Committee reviewed and recommended the Second Quarter Statement of Activities. Upon motion duly made and seconded, the Board approved the following resolution:

**RESOLVED**, that the Board, upon recommendation of the Finance and Audit Committee, hereby accepts the Second Quarter 2021 NERC, Combined ERO Enterprise, and Regional Entity Unaudited Statement of Activities, as presented to the Board at this meeting.

Second, Mr. Clarke reported that the Committee reviewed and recommended for Board approval the NERC and Regional Entity Proposed 2022 Business Plans and Budgets and associated assessments. He noted that the proposed

2022 NERC budget reflects a \$400k savings on the lease for a new Washington, D.C. office. Mr. Clarke reported that any future decisions regarding the lease for the Atlanta office would not impact 2022 assessments, as any out of pocket costs would be funded by reserves or borrowing, and any future savings would be reflected in future year budgets. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

**RESOLVED**, that the Board hereby approves the following, substantially in the form presented to the Board at this meeting:

1. The proposed 2022 NERC Business Plan and Budget;
2. The proposed 2022 Business Plans and Budgets of the Regional Entities and the Western Interconnection Regional Advisory Board; and
3. The proposed 2022 assessments to recover the costs of the approved 2022 budgets, subject to adjustments to reflect final Net Energy for Load numbers, together with such other adjustments as may be necessary.

**FURTHER RESOLVED**, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

Mr. DeFontes and Mr. Clarke thanked stakeholders for their valuable input throughout the budget process.

### **Enterprise-wide Risk**

Ms. Sidford, Committee Chair, reported on the Committee's closed meeting on August 5, 2021. At its meeting, the Committee received updates on the activities of the Compliance and Certification Committee, Regional Entity activities, 2021 audit plan status, the 2022 CMEP Regional Entity draft audit schedule, and the results of an Enterprise Risk Management diagnostic study performed by a third party consultant.

### **Technology and Security**

Ms. Keenan, Committee Chair, reported on meeting of the Member Executive Committee on July 29, 2021 to endorse the 2022 E-ISAC budget. She also reported on the Committee's open meeting on August 11, 2021, where the Committee received updates on E-ISAC operations, the Align project, and other ERO Enterprise technology projects. Ms. Keenan highlighted the upcoming virtual GridEx event, to take place from November 16-18, 2021. Ms. Keenan noted that work continues to progress on developing the E-ISAC's advanced analysis capabilities, and the results of the recent E-ISAC stakeholder feedback survey were very positive.

### **Nominating**

No Committee report was provided at this meeting.

### **Report by Jim Piro on Standards and RSTC Quarterly Activities**

Mr. Piro, Liaison to the Standards Committee and Reliability and Security Technical Committee (RSTC), reported on recent Standards Committee activities, including actions taken at its meetings to authorize postings, accept several Standard Authorization Requests, and appoint drafting teams.

He also reported that the participation and engagement on the RSTC continues to remain high and highlighted its work to address resource adequacy. Mr. Piro reported that the RSTC is currently soliciting feedback from stakeholders.

## Standards Quarterly Report and Actions

### Project 2019-02 BES Cyber System Information Access Management

Mr. Gugel presented the proposed Reliability Standards developed through Project 2019-02 BES Cyber System Information Access Management, referencing the material included in the advance agenda package. He noted that the proposed standards are intended to provide increased options for entities to leverage third-party data storage and analysis systems and clarify the protections expected when using such solutions. Upon motion duly made and seconded, the Board approved the following resolutions:

#### Proposed Reliability Standard CIP-004-7

**RESOLVED**, that the Board hereby adopts the proposed Reliability Standard CIP-004-7, as presented to the Board at this meeting.

**FURTHER RESOLVED**, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

**FURTHER RESOLVED**, that the Board hereby approves the proposed retirement of Reliability Standard CIP-004-6, as presented to the Board at this meeting.

#### Proposed Reliability Standard CIP-011-3

**RESOLVED**, that the Board hereby adopts the proposed Reliability Standard CIP-011-3, as presented to the Board at this meeting.

**FURTHER RESOLVED**, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

**FURTHER RESOLVED**, that the Board hereby approves the proposed retirement of Reliability Standard CIP-011-2, as presented to the Board at this meeting.

#### Implementation Plan for Project 2019-02

**RESOLVED**, that the Board hereby approves the associated implementation plan for the above-listed standards, as presented to the Board at this meeting.

#### Authorization

**RESOLVED**, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

#### Proposed Revisions to the NERC Rules of Procedure – Section 300, Appendices 3B and 3D

Mr. DeFontes introduced the topic by acknowledging the feedback received during the MRC meeting regarding the participation of Regional Entities in the Registered Ballot Body. He stated that the Board will direct NERC staff to consider an appropriate action to consider the feedback in a timely manner.

Ms. Hecht then presented the proposed revisions to Section 300 and Appendices 3B and 3D to the NERC Rules of Procedure regarding Reliability Standards, referencing the material included in the advance agenda package. Upon motion duly made and seconded, the Board approved the following resolutions:

**RESOLVED**, that the Board hereby approves the revisions to Section 300, Appendix 3B, and Appendix 3D of the NERC Rules of Procedure, substantially in the form presented to the Board at this meeting.

**FURTHER RESOLVED**, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

### **Standards Efficiency Review Update**

Mr. Gugel provided an update on the Standards Efficiency Review, referencing the materials included in the advance agenda package. He highlighted the Standards Efficiency Review Report and Transition Plan and noted that work continues on reviewing recommended standards modifications and engraining efficiency into all aspects of standards development.

### **Critical Infrastructure Protection Board Resolution Updates**

Mr. Gugel provided an update on activities in support of resolutions approved by the Board regarding the Critical Infrastructure Protection (CIP) reliability Standards, referencing the material provided in the advance agenda package. He highlighted activities underway to address low impact BES Cyber Assets, including: (1) a standards project that is underway to address the categorization for Transmission Only Control Centers following the Board's withdrawal of the CIP-002-6 standard in February 2021; and (2) a broader review and analysis of the low impact criteria.

### **Other Matters and Reports**

#### **Policy Input and Member Representatives Committee Meeting**

Mr. DeFontes referred to the discussion of policy input items and technical updates at the August 12, 2021 MRC meeting.

#### **2021 State of Reliability Report**

Mr. Moura introduced the 2021 State of Reliability Report, highlighting the role of the report in providing objective, credible, and concise information on issues affecting the reliability and resilience of the North American bulk power system ("BPS"). Mr. Moura and Ms. Pratt reviewed the key findings of the report. After discussion, and upon motion duly made and seconded, the Board approved the following resolution:

**RESOLVED**, that the Board hereby accepts the 2021 State of Reliability Report, endorses the recommendations contained therein, and authorizes its publication.

#### **2021 ERO Reliability Risk Priorities Report**

Mr. Nelson Peeler, Chair of the Reliability Issues Steering Committee ("RISC"), presented the 2021 RISC ERO Reliability Risk Priorities Report. He noted that the report identifies and prioritizes 11 key risks relating to the following four areas: (1) grid transformation; (2) security; (3) extreme natural events; and (4) critical infrastructure dependences. After discussion, and upon motion duly made and seconded, the Board approved the following resolution:

**RESOLVED**, that the Board hereby accepts the Reliability Issues Steering Committee 2021 ERO Reliability Risk Priorities Report, as presented to the Board at this meeting.

### **Semi-Annual Review of the Achievements of the 2021 ERO Enterprise Work Plan Priorities**

Ms. Kim provided an update on accomplishments in the second quarter of 2021 to advance the 2021 ERO Enterprise Work Plan Priorities. She noted that, due to recent events, these priorities were revised to focus on tasks to address: (1) energy sufficiency; (2) cold weather; and (3) cyber security.

### **2021 ERO Enterprise Reliability Indicators**

Ms. Kim provided an update on the status of the 2021 ERO Enterprise Reliability Indicators.

### **Committee Reports**

Representatives of the Standing Committees provided reports to the Board highlighting items from their written reports, which had been included with the advance meeting materials.

#### **Member Representatives Committee**

Mr. Paul Choudhury, Committee Chair, summarized the topics that had been discussed at the August 12, 2021 MRC meeting, referring to the materials provided in the advance agenda package and the posted presentations.

#### **Personnel Certification Governance Committee**

Mr. Cory Danson, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package and summarizing upcoming work. He reported that the Committee is seeking nominations for a new member.

#### **Standards Committee**

Ms. Amy Casuscelli, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package. She highlighted work under the Standards Efficiency Review and upcoming special elections.

#### **Compliance and Certification Committee**

Ms. Jennifer Flandermeyer, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package.

#### **Reliability and Security Technical Committee**

Mr. Greg Ford, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package. He highlighted the appointment of Rich Hydzik as Vice Chair of the RSTC.

#### **Electricity Subsector Coordinating Council**

Mr. Robb reported on recent Electricity Subsector Coordinating Council activities, including steering committee meetings, discussion of creating a supply chain working group, and a meeting of the wildfire working group. He also highlighted the upcoming GridEx event.

### **Forum and Group Reports**

#### **North American Energy Standards Board**

Mr. Michael Desselle, Chair of the NAESB Board of Directors, discussed recent activities at NAESB regarding natural gas and electric coordination.

#### **North American Transmission Forum**

Mr. Tom Galloway, Forum President and Chief Executive Officer, referenced the written report and highlighted the Forum's work pertaining to facility ratings and supply chain security.

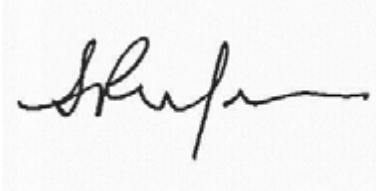
**North American Generator Forum**

Mr. DeFontes referenced the Forum's written report included in the advance agenda package.

**Other Matters and Adjournment**

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,

A handwritten signature in black ink, appearing to read 'Sônia Mendonça', is displayed on a light gray rectangular background.

Sônia Mendonça  
Corporate Secretary

## **Compliance and Certification Committee Confidentiality Protocol and Procedure for Participation in NERC's Audits of CMEP Programs**

### **Action**

Approve

### **Summary**

The Compliance and Certification Committee (CCC) presents to the Board of Trustees for approval two of its procedures.

The first procedure is a revised version of the CCC's Confidentiality Protocol. This procedure details the responsibilities of CCC members to protect any confidential information they may receive while executing the CCC's various roles. The revised procedure allocates the information protection responsibilities between the CCC members and NERC staff and describes the practices CCC members should follow to reduce the likelihood of inadvertent disclosure of confidential information. The procedure includes an agreement to be executed by each CCC member to acknowledge their understanding of their responsibilities. The CCC seeks approval of this procedure to enhance the processes for the rare instances when the CCC will have access to confidential information.

The second procedure is a revised version of the CCC's procedure describing participation of CCC members as observers in NERC's audits of the Regional Entities' Compliance Monitoring and Enforcement Programs (CMEPs). The revisions define the roles of NERC's Internal Audit department and the CCC observers as outlined in Appendix 4A to the NERC Rules of Procedure. The CCC seeks approval of the revised procedure as it will facilitate more effective execution of the audits of the Regional Entities' CMEPs that will occur throughout 2022 in response to the Federal Energy Regulatory Commission's order on NERC's most recent Five-Year Performance Assessment.



**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# NERC Compliance and Certification Committee Confidentiality Protocol

CCCPP-009-3

September 22, 2021

RELIABILITY | RESILIENCE | SECURITY



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Atlanta, GA 30326  
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# Table of Contents

---

Introduction .....	iii
Chapter 1: Applicability .....	1
Chapter 2: Handling of Confidential Information .....	2
Access to Confidential Information .....	2
Authorizing Access to Confidential Information .....	2
Storage & Protection of Confidential Information .....	2
Roles and Responsibilities for Handling Confidential Information .....	3
Third Party Requests for Confidential Information.....	3
Termination of Access to Confidential Information.....	3
Information No Longer Deemed Confidential .....	3
Retention of Confidential Information .....	3
General Provisions.....	3
Hearing Function.....	4
Chapter 3: Improper Disclosure .....	5
Chapter 4: Revision History .....	6
<b>Appendix A: Non-Disclosure Agreement.....</b>	<b>7</b>

## Introduction

---

As a North American Electric Reliability Corporation (NERC) Board of Trustees (Board)-appointed stakeholder Committee serving and reporting directly to the NERC Board, the Compliance and Certification Committee (Committee or CCC) will engage with, support, and advise the NERC Board and NERC regarding the NERC Compliance Monitoring and Enforcement Program (CMEP), Organization Registration program (Registration program), Organization Certification program (Certification program), and the Reliability Standards development program in accordance with the NERC Rules of Procedure (ROP).

CCC Members and CCC Observers may receive Confidential Information<sup>1</sup> while serving on NERC's CCC. The purpose of this Confidentiality Protocol (Protocol) is to protect the confidentiality of information that is submitted to, or created by, the CCC for the purpose of performing the CCC's functions as defined herein, the NERC Rules of Procedure (ROP), and relevant orders of any Applicable Government Authority.

CCC Members and CCC Observers that receive, submit or create Confidential Information during the course of, or as a result of, their participation in the CCC or any Function shall keep in confidence and not disclose or distribute any Confidential Information or any part thereof, in accordance with NERC ROP Section 1500.

This Protocol establishes the requirement that CCC Members sign a Non-Disclosure Agreement (NDA) when they join the CCC and that CCC Observers a Non-Disclosure Agreement (NDA) prior to accessing confidential information.

---

<sup>1</sup> Confidential Information designated as such in NERC's ROP Section 1500.

## Chapter 1: Applicability

---

This Protocol applies to any CCC Member (or Proxy)<sup>2</sup> and CCC Observer. When an individual joins the CCC, the CCC Secretary shall require the individual to sign the Non-Disclosure Agreement (NDA). This NDA is considered binding whenever a CCC Member and CCC Observer receive Confidential Information pursuant to a CCC Function.

It is generally expected that CCC Members and CCC Observer will receive Confidential Information when participating in the following:

- Monitoring NERC's adherence to Rules of Procedure;
- A Hearing Body for any contest regarding findings of penalties or sanctions for violation(s) of Reliability Standard(s) where NERC is acting as the Compliance Enforcement Authority (CEA) and is directly monitoring the Registered Entity for compliance with those Reliability Standards (Registered Entity by agreement with a Regional Entity or absent a delegation agreement);
- A Mediation Body to assist NERC and a Regional Entity (NERC and the Regional Entity individually a Party, collectively, the Parties) to understand and work through disagreements or disputes concerning NERC performance audits of a Regional Entity's Compliance Monitoring and Enforcement Program.
- Receiving reports about the above stated activities; and
- Occasionally in furtherance of other CCC activities.

In the event of a conflict between provisions of this Protocol and the NERC ROP, the NERC ROP governs.

---

<sup>2</sup> Future references to CCC Members include their Proxy.

## Chapter 2: Handling of Confidential Information

---

### Access to Confidential Information

The CCC Chair (or designate) coordinates with NERC for CCC member access to Confidential Information. The CCC Chair (or designate), CCC Secretary, or NERC Staff may share Confidential Information submitted to the CCC with the Subcommittee, Task Force or Working Group tasked to participate in any of the activities highlighted above and will oversee compliance with this Protocol.

In the event that the CCC Chair has a conflict of interest in connection with a CCC matter, another CCC Member designated by the CCC Vice-Chair will administer the duties of the CCC Chair under this Protocol with respect to Confidential Information related to such matter.

### Authorizing Access to Confidential Information

The CCC Chair (or designate) or the CCC Secretary will check that only CCC Members and/or CCC Observers requiring access to perform designated functions will have access to Confidential Information and that access will be provided only after Non-Disclosure Agreements have been signed and returned to the CCC Secretary.

When the CCC initiates a function that requires receipt of Confidential Information by CCC Members or CCC Observers, the CCC Secretary will check that CCC Members and/or CCC Observers requiring access to Confidential Information have signed a Non-Disclosure Agreement and will provide confirmation to the CCC Chair (or designate).

### Storage & Protection of Confidential Information

The CCC Secretary or assigned NERC Staff will ensure that Confidential Information (paper and electronic) is stored in a secure and restricted location, separate and apart from other NERC information. In doing so, the CCC Secretary or assigned NERC Staff will:

- Have possession of the keys to physical locations
- Maintain a listing of issued passwords to access electronic information by CCC Members and/or CCC Observers.
- Ensure that Confidential Information (electronic records) are stored on a non-networked computer or local area network (LAN) that is shared between NERC and the CCC. NERC will ensure that access to the Confidential Information be password protected and no person will have access to the Confidential Information without the CCC Chair's (or designee) authorization and without having first signed the Non-Disclosure Agreement.
- Ensure that Confidential Information (paper records) is secured by locked doors or cabinets that are not publicly accessible and to which authorized CCC Members and/or CCC Observers may have access during NERC's business hours. Similar to electronic records, no person will have access to the Confidential Information without the CCC Chair's (or designee) authorization and without having first signed the Non-Disclosure Agreement.
- Ensure Confidential Information is not removed from the physical or electronic secure location unless authorized in writing by the CCC Chair or CCC Secretary with the CCC Chair's approval.
- Be responsible for implementing business procedures for managing Confidential Information applicable to the CCC, in accordance with the NERC procedures for protection of similar information.
- Along with the CCC Chair, oversee all physical and electronic access to areas storing Confidential Information, and keep Confidential Information obtained or created by the CCC separate from CCC general files and other files.

## **Roles and Responsibilities for Handling Confidential Information**

- Submitting Entities must mark Confidential Information in accordance with NERC ROP 1500.
- Transmission of Confidential Information via email shall be avoided. If such circumstance should arise that transmission is necessary, the confidential document shall be encrypted as part of the transmission process.

## **Third Party Requests for Confidential Information.**

The CCC Chair will refer requests for Confidential Information from the CCC to the CCC Secretary or assigned NERC Staff.

NERC will evaluate and respond to requests for Confidential Information in accordance with the Rules of Procedure and inform the CCC Chair of the manner in which they have responded to the Request.

## **Termination of Access to Confidential Information**

At the direction of the CCC Chair (or designate) or if determined to be necessary by NERC, the CCC Secretary will terminate access to Confidential Information for a CCC Member or CCC Observer. CCC Members and CCC Observers will surrender and certify destruction of any Confidential Information in their possession, (e.g., hard copy, laptop) to the CCC Secretary in the event that:

- CCC Member or CCC Observer (who participate in activities requiring an NDA) to whom Confidential Information is disclosed ceases to be a CCC Member or CCC Observer;
- A CCC Member or CCC Observer changes its status in a manner that would cause it to lose its position as a CCC Member or CCC Observer;
- A CCC Member or CCC Observer ceases to require access in order to perform the CCC Function; or
- The CCC Chair (or designate) deems the CCC Function associated with the Confidential Information to be complete.

Even if no longer a CCC Member or CCC Observer, every person who has signed a Non-Disclosure Agreement will continue to be bound by the provisions of this Protocol. When a CCC Member's access to Confidential Information is terminated, access by their Proxy is also terminated.

## **Information No Longer Deemed Confidential**

If the submitting entity notifies NERC that information, which is the subject of this Protocol, is no longer deemed Confidential Information in accordance with NERC ROP Section 1502.3, the Staff Coordinator will notify the CCC Chair, as necessary.

The CCC Chair shall then notify the CCC Members and CCC Observer that previously deemed Confidential Information shall no longer be treated as Confidential Information.

## **Retention of Confidential Information**

### **General Provisions**

CCC Secretary will retain Confidential Information submitted or created pursuant to the CCC's Functions as provided for in Section 9 of Appendix 4C to ROP and in accordance with the provisions of any applicable protective order.

## Hearing Function

The CCC Secretary will keep Confidential Information available to a Hearing Panel (as is described in the Hearings Section of the CCC Charter and the applicable process and procedure) until the later of the date that the Hearing Panel:

- Issues an order terminating the proceeding;
- The proceeding becomes no longer subject to judicial review; or
- The date that any NERC proceeding relating to the Confidential Information is concluded and no longer subject to judicial review.

## Chapter 3: Improper Disclosure

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In accordance with the provisions in NERC ROP 1507, any person engaged in CCC, NERC, or Regional Entity activity or Functions under Section 215 of the Federal Power Act or the equivalent laws of other appropriate Applicable Governmental Authorities who improperly discloses information determined to be confidential may on a temporary or permanent basis lose access under this Protocol to Confidential Information in connection with any CCC Function, and may be subject to CCC action including termination of CCC membership. Nothing in this section precludes an entity whose information was improperly disclosed from seeking a legal or equitable remedy in an appropriate court.



## Chapter 4: Revision History

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Date	Version Number	Comments
November 29, 2017	1.0	Approved by the Compliance and Certification Committee
September 22, 2021	2.0	Approved by the Compliance and Certification Committee
Insert date		Approved by the Board of Trustees

# Appendix A: Non-Disclosure Agreement

---

I am a:  CCC Member  
 CCC Observer

Authorized Proxy<sup>3</sup> of: \_\_\_\_\_

It is generally expected that CCC Members and CCC Observers will receive Confidential Information when: (1) participating in (a) monitoring NERC's adherence to Rules of Procedure, (b) a Hearing Body, or (c) a Mediation Body; (2) receiving reports about the above stated activities; and, (3) occasionally in furtherance of other CCC activities.

CCC Members and CCC Observer that receive, submit or create Confidential Information during the course of, or as a result of, their participation in the CCC or any function shall keep in confidence and not disclose or distribute any Confidential Information or any part thereof, in accordance with NERC ROP Section 1500.

I hereby certify to my understanding that access to Confidential Information is provided to me pursuant to the terms and restrictions of the CCC Confidentiality Protocol. I understand that I have been given a copy of and have read the CCC Confidentiality Protocol and that I agree to be bound by it. I understand that the contents of the Confidential Information, any notes or other memoranda, or any other form of information that copies or discloses Confidential Information shall not be disclosed by me to anyone other than in accordance with the CCC.

## Personnel Risk Assessment

(A personnel risk assessment is required for access to Confidential Information governed by CIP standards.)

I hereby certify that I have completed and passed, at a minimum, a personnel risk assessment as identified in the Critical Infrastructure Protection Standards to the satisfaction of my employer or client. **YES \_\_\_ . NO \_\_\_ . (Check the one that applies).**

Confidentiality Protocol. I acknowledge that a violation of this Certificate constitutes a violation of the NERC Rules of Procedure, the CCC Charter, and the CCC Confidentiality Protocol and that such violation may subject me to the penalties provided therein.

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Employed By: \_\_\_\_\_  
Representing \_\_\_\_\_ Date: \_\_\_\_\_

## TO BE COMPLETED BY THE CCC CHAIR OR HIS/HER DESIGNEE OR STAFF COORDINATOR:

- Access granted
- Access denied

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_

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<sup>3</sup> Authorized Proxy is defined as the CCC Member's Proxy. This should be left blank for CCC Members.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# NERC Compliance and Certification Committee Confidentiality Protocol

CCCPP-009-3

Month XX, 2021

RELIABILITY | RESILIENCE | SECURITY



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# Table of Contents

---

Introduction .....	iii
Chapter 1: Applicability .....	1
Chapter 2: Handling of Confidential Information .....	2
Access to Confidential Information .....	2
Authorizing Access to Confidential Information .....	2
Storage & Protection of Confidential Information .....	2
Roles and Responsibilities for Handling Confidential Information .....	3
Third Party Requests for Confidential Information .....	3
Termination of Access to Confidential Information .....	3
Information No Longer Deemed Confidential .....	3
Retention of Confidential Information .....	3
General Provisions .....	3
Hearing Function .....	4
Chapter 3: Improper Disclosure .....	5
Chapter 4: Revision History .....	6
<b>Appendix A: Non-Disclosure Agreement .....</b>	<b>7</b>

## Introduction

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This Protocol establishes the requirement that CCC Members ~~and CCC Observers~~ sign a Non-Disclosure Agreement (NDA) when they join the CCC [and that CCC Observers a Non-Disclosure Agreement \(NDA\) prior to accessing confidential information.](#)

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<sup>1</sup> Confidential Information designated as such in NERC's ROP Section 1500.

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<sup>2</sup> Future references to CCC Members includes their Proxy.

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- Maintain a listing of issued passwords to access electronic information by CCC Members and/or CCC Observers.
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Even if no longer a CCC Member or CCC Observer, every person who has signed a Non-Disclosure Agreement will continue to be bound by the provisions of this Protocol. When a CCC Member's access to Confidential Information is terminated, access by their Proxy is also terminated.

## Information No Longer Deemed Confidential

If the submitting entity notifies NERC that information, which is the subject of this Protocol, is no longer deemed Confidential Information in accordance with NERC ROP Section 1502.3, the Staff Coordinator will notify the CCC Chair, as necessary.

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### General Provisions

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The CCC Secretary will keep Confidential Information available to a Hearing Panel (as is described in the Hearings Section of the CCC Charter and the applicable process and procedure) until the later of the date that the Hearing Panel:

- Issues an order terminating the proceeding;
- The proceeding becomes no longer subject to judicial review; or
- The date that any NERC proceeding relating to the Confidential Information is concluded and no longer subject to judicial review.

## Chapter 3: Improper Disclosure

---

In accordance with the provisions in NERC ROP 1507, any person engaged in CCC, NERC, or Regional Entity activity or Functions under Section 215 of the Federal Power Act or the equivalent laws of other appropriate Applicable Governmental Authorities who improperly discloses information determined to be confidential may on a temporary or permanent basis lose access under this Protocol to Confidential Information in connection with any CCC Function, and may be subject to CCC action including termination of CCC membership. Nothing in this section precludes an entity whose information was improperly disclosed from seeking a legal or equitable remedy in an appropriate court.

## Chapter 4: Revision History

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Date	Version Number	Comments
November 29, 2017	1.0	Approved by the Compliance and Certification Committee
Insert date	2.0	Approved by the Compliance and Certification Committee
Insert date		Approved by the Board of Trustees

# Appendix A: Non-Disclosure Agreement

---

I am a:  CCC Member  
 CCC Observer

Authorized Proxy<sup>3</sup> of: \_\_\_\_\_

It is generally expected that CCC Members and CCC Observers<sup>3</sup> will receive Confidential Information when: (1) participating in (a) monitoring NERC's adherence to Rules of Procedure, (b) a Hearing Body, or (c) a Mediation Body; (2) receiving reports about the above stated activities; and, (3) occasionally in furtherance of other CCC activities.

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I hereby certify to my understanding that access to Confidential Information is provided to me pursuant to the terms and restrictions of the CCC Confidentiality Protocol. I understand that I have been given a copy of and have read the CCC Confidentiality Protocol and that I agree to be bound by it. I understand that the contents of the Confidential Information, any notes or other memoranda, or any other form of information that copies or discloses Confidential Information shall not be disclosed by me to anyone other than in accordance with the CCC.

## Personnel Risk Assessment

(A personnel risk assessment is required for access to Confidential Information governed by CIP standards.)

I hereby certify that I have completed and passed, at a minimum, a personnel risk assessment as identified in the Critical Infrastructure Protection Standards to the satisfaction of my employer or client. **YES \_\_\_ . NO \_\_\_ . (Check the one that applies).**

Confidentiality Protocol. I acknowledge that a violation of this Certificate constitutes a violation of the NERC Rules of Procedure, the CCC Charter, and the CCC Confidentiality Protocol and that such violation may subject me to the penalties provided therein.

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Employed By: \_\_\_\_\_  
Representing \_\_\_\_\_ Date: \_\_\_\_\_

## TO BE COMPLETED BY THE CCC CHAIR OR HIS/HER DESIGNEE OR STAFF COORDINATOR:

- Access granted
- Access denied

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_

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<sup>3</sup> Authorized Proxy is defined as the CCC Member's Proxy. This should be left blank for CCC Members.



**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# CCC Participation in NERC's Audits of CMEP Programs

## CCC Monitoring Program – CCCPP-012

Month XX, 2021

**RELIABILITY | RESILIENCE | SECURITY**



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# Table of Contents

---

Introduction .....	iii
Chapter 1: CCC Participation Process .....	1
CCC Member Participation in Audits.....	1
Post-Audit Activities .....	2
Timeline of Recurring CCC 4A Audit Participation Touch Points .....	2
Chapter 2: Data Retention and Confidentiality .....	3
Records Retention.....	3
Confidentiality Management.....	3
Chapter 3: Revision History .....	4

## Introduction

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NERC's Internal Audit (IA) function scopes, coordinates, and performs audits of the Regional Entities (REs). IA's goal is to provide reasonable assurance of RE adherence to the requirements of the Regional Delegation Agreements (RDAs) and NERC's Rules of Procedure (ROP). Per the ROP, IA is required to perform the RE audits pursuant to Appendix 4A at least once every five years. The Appendix 4A audits focus on the REs' execution of the NERC Compliance Monitoring and Enforcement Program (CMEP).

This Compliance and Certification Committee (CCC) monitoring program procedure outlines how the CCC may participate in Appendix 4A audits. Appendix 4A provides CCC representatives the ability to participate and observe the audits at the CCC's discretion. This participation fulfills the CCC's role to monitor NERC's adherence to the ROP and, by delegation, RE adherence to the ROP. The observation of audits provides the CCC with insight into audit procedures designed to provide oversight of adherence to the ROP, and facilitates CCC collaboration to ensure the audits are effective by adding industry's perspective to the planning and execution phases. This procedure addresses the following:

- CCC input into IA's engagement planning process;
- CCC participation in audits as an observer; and
- Information sharing concerning the status of audits, observations, and management actions to mitigate audit observations and recommendations related to the CMEP, consistent with Appendix 4A.

Consistent with the ROP and CCCPP-009, CCC members participating in the 4A audits are expected to hold the entire process confidential, including all of the information provided, discussions held, and the draft report.

No similar CCC role is contemplated for IA's performance of Section 1207 audits. IA, at its discretion, may request CCC input when conducting oversight audits of RE performance. CCC input to such audits is beyond the scope of this document.



# Chapter 1: CCC Participation Process

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## CCC Member Participation in Audits

IA will present the Enterprise-wide Risk Committee (EWRC)-approved list of Appendix 4A audits from the annual audit plan to the CCC at their fourth quarter meeting, and changes to the plan, if any, will be presented at subsequent quarterly CCC meetings. Any CCC member can participate in any Appendix 4A audit as an observer provided they have met the following criteria:

- CCC observer(s) must notify the CCC Chair regarding their request to participate in an audit at least 60 days in advance of the audit.
- The Chair of the CCC, or his or her designee, approves the CCC member's participation using reasonable discretion considering potential conflicts of interest and other requests for additional member participation.
- Each CCC observer(s) must notify NERC of any potential conflicts of interest (COI) and will be subject to NERC's COI procedures in place at the time of the audit, which will include coordination with the REs and the ability of NERC to request replacement of an observer who has a COI.
- CCC observer(s) must complete an auditing overview program facilitated by NERC IA prior to participation. NERC IA will maintain a record of attendance/completion.
- Each CCC observer(s) must have an executed confidentiality agreement on file with NERC.

An audit observer's role will include the following activities related to the audit being observed:

- The CCC observer(s) may participate in audit team pre- and post-audit activities and observe actual auditing activities, including meetings with RE personnel in the areas that are subject to audit.
- The CCC observer(s) have the opportunity to provide questions, comments, and input to the auditor during the course of the audit.
- In accordance with Appendix 4A, the CCC observer(s) may have access to audit documents (as determined by NERC) on the secure NERC site. Examples include, but are not limited to, the following:
  - Engagement risk assessments and pre-planning and planning questionnaires
  - Audit programs and testing conclusions
  - Audit reports (draft and final) and associated management action plans

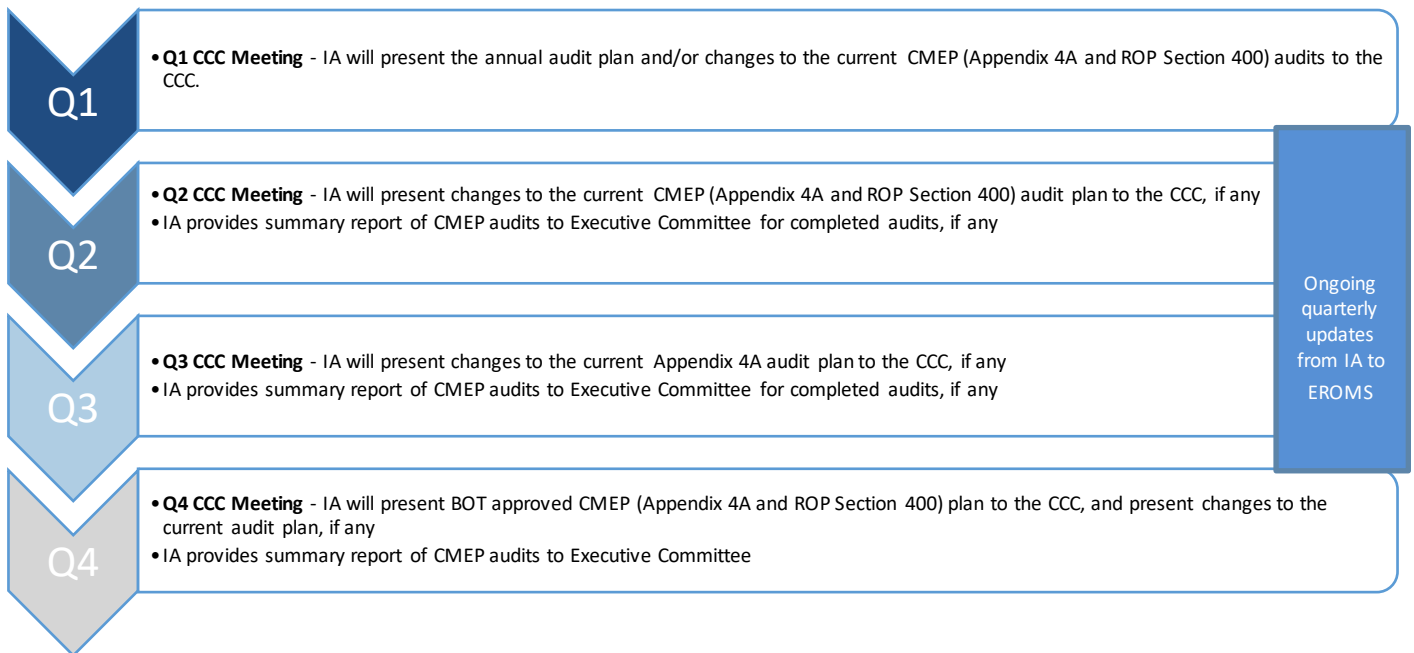
Despite IA's best efforts to execute audits in accordance with established schedules, CCC members participating in audits should understand that schedules are fluid and can change at any time for a variety of reasons. Furthermore, it is important for IA to complete its audit work within certain timeframes in order to meet the needs of its stakeholders. For these reasons, it may not be possible to accommodate every schedule change request made by a CCC observer.

## Post-Audit Activities

IA will provide the ERO Monitoring Subcommittee (EROMS) with a report of all Appendix 4A audits upon completion. Reports will describe audit scope, observations and recommendations, and management action and mitigation plans. The report will be in summary form and not attribute any observations to any particular RE.

The RE will provide periodic updates (at least quarterly) to IA on the status of NERC and/or RE management action plans/corrective action until completion. IA will provide quarterly updates to the EROMS on the status of all NERC and/or RE management action plans and corrective action until completion, including any extensions or repeat issues consistent with practices governed by the IA follow-up process. If applicable, any EROMS concerns will be communicated by EROMS to the CCCEC and IA.

## Timeline of Recurring CCC 4A Audit Participation Touch Points



## Chapter 2: Data Retention and Confidentiality

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### **Records Retention**

Neither the CCC nor its audit observers will maintain or retain any records associated with the activities outlined in this procedure. Upon completion of participation, each CCC observer will purge any documents and records associated with the audit as advised by NERC.

### **Confidentiality Management**

NERC and the CCC observers will maintain confidentiality of all Confidential Information in accordance with Section 1500 of the ROP. Information deemed to be Critical Energy Infrastructure Information or Critical Electric Infrastructure Information will be redacted from materials provided to the CCC observers.

## Chapter 3: Revision History

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Date	Version Number	Comments
November 29, 2017	1.0	Approved by the Compliance and Certification Committee
February 8, 2018		Approved by NERC Board of Trustees
September 22, 2021	2.0	Revision approved by the Compliance and Certification Committee
Month XX, 2021		Approved by the NERC Board of Trustees

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# **CCC Participation in NERC's Audits of ~~Regional Entity CMEP Programs in~~ ~~Accordance with Appendix 4A of the~~ ~~NERC Rules of Procedure~~**

CCC Monitoring Program – CCCPP-012

~~February 08, 2018~~ Month XX, 2021

**RELIABILITY | ACCOUNTABILITY**



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# Table of Contents

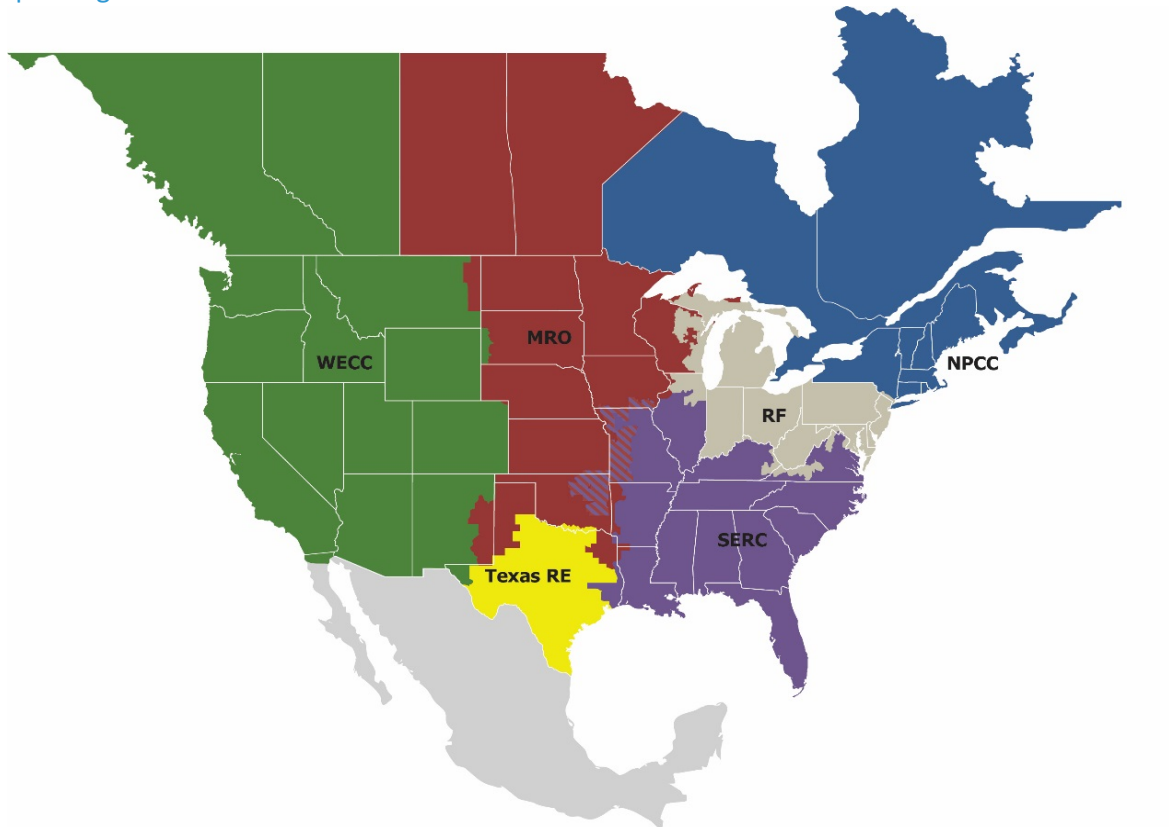
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<a href="#">Preface</a> .....	iii
<a href="#">Executive Summary/Introduction</a> .....	iviii
CCC Participation Process .....	1
<a href="#">Annual Risk Assessment and Audit Plan</a> .....	1
CCC Member Participation in Audits.....	1
<a href="#">Post Audit Activities</a> .....	2
Timeline of Recurring CCC 4A Audit Participation Touch Points .....	4
<a href="#">Data Retention and Confidentiality Management</a> .....	5
<a href="#">Revision History</a> .....	5

# Preface

The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to assure the reliability and security of the bulk power system (BPS) in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the BPS through system awareness; and educates, trains, and certifies industry personnel. NERC's area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the Electric Reliability Organization (ERO) for North America, subject to oversight by the Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada. NERC's jurisdiction includes users, owners, and operators of the BPS, which serves more than 334 million people.

The North American BPS is divided into eight six Regional Entity (RE) boundaries as shown in the map and corresponding table below.



The North American BPS is divided into eight six RE boundaries. The highlighted areas denote overlap as some load-serving entities participate in one Region while associated transmission owners/operators participate in another.

<b>FRCC</b>	Florida Reliability Coordinating Council
<b>MRO</b>	Midwest Reliability Organization
<b>NPCC</b>	Northeast Power Coordinating Council
<b>RF</b>	ReliabilityFirst
<b>SERC</b>	SERC Reliability Corporation
<b>SPP-RE</b>	Southwest Power Pool Regional Entity
<b>Texas-RE</b>	Texas Reliability Entity
<b>WECC</b>	Western Electricity Coordinating Council

## Executive Summary Introduction

### In the capacity of a NERC Board of Trustees (Board)...

NERC's Internal Audit (IA) and Corporate Risk Management (IACRM) function scopes, coordinates, and performs audits of the Regional Entities (REs) (REs) execution of delegation related activities. IACRM's goal is to provide reasonable assurance of RE adherence to compliance with the requirements of the Regional Delegation Agreements (RDAs) and NERC's Rules of Procedure (NERC ROP), as the REs conduct their delegation related activities. NERC Per the ROP, IA is required to perform these the RE audits pursuant to Section 1207 and Appendix 4A of the NERC ROP at least once every five years. The Appendix 4A audits focus on the REs' execution of their the NERC respective eCompliance mMonitoring and eEnforcement pProgram s(CMEP). The Section 1207 audits focus on other areas of risk, outside of compliance monitoring and enforcement, for example, as identified from oversight plan performance reports, annual ERO Enterprise risk assessments, RE self certifications, and other relevant criteria collected targeted reviews by IACRM.

This Compliance and Certification Committee (CCC) monitoring program procedure outlines how the CCC may participate in Appendix 4A audits of the REs executed by IACRM. Appendix 4A gives representatives from the provides CCC representatives the ability to participate and observe in the audits at their the CCC's discretion. This participation fulfills the CCC's role to monitor NERC's adherence to the ROP and, by delegation, RE adherence to the ROP. The observation of audits provides the CCC with insight into audit procedures designed to provide oversight of adherence to the ROP, and facilitates CCC collaboration to ensure the audits are effective by adding industry's perspective to the planning and execution phases. Specifically, this procedure addresses the following:

- CCC input into IACRM's CMEP engagement annual audit planning process;
- CCC participation in selected audits as an observer; and
- Information sharing concerning the status of audits, observations, and management actions to mitigate audit observations and recommendations related to the CMEP, consistent with Appendix 4A.

Consistent with the ROP and CCCPP-009, CCC members participating in the 4A audits are expected to hold the entire process confidential, including all of the information provided, discussions held, and the draft report.

No similar CCC role is contemplated for the CCC in the IA's performance of Section 1207 audits. IA, at its discretion, may request CCC input when conducting oversight audits of RE performance. CCC input to such audits is beyond the scope of this document.



# CCC Participation Process

---

## Annual Risk Assessment and Audit Plan

NERC's and the ERO Enterprise's risk assessment processes identify and prioritize risk to the ERO Enterprise. These risk assessments are the primary inputs into NERC IA's annual audit plan. The process seeks to identify risk through written and verbal communication with ERO Enterprise staff, especially executive staff, and other stakeholders such as representatives of NERC's Board of Trustees and the CCC. Areas and business processes identified as increased risk the most risky become the subject matter inputs for NERC IA to independently evaluate for auditability internal audits to ensure that adequate controls are present; well designed, properly implemented and operating functioning effectively, and the risk is sufficiently managed and/or mitigated. NERC's IACRM function performs an annual and periodic risk assessment to validate the relevance and adequacy of audit engagements on the annual audit plan. the assessments on an annual basis. These assessments also reflect input from ERO business unit performance reports resulting from oversight of RE delegation related activities.

The CCC has input into the annual risk assessment process through the CCC Chair and Vice Chair's participation in the annual risk assessment. The CCC Chair can also include any of the CCC subcommittee chairs in the process, at his or her discretion. In addition, the CCC Chair also sits on the Enterprise wide Risk Committee (EWRC), which reviews the annual risk assessment results and is informed of the approves the annual audit plan and any changes to it relevant to audit engagements over CMEP. The aforementioned examples of CCC participation in the risk assessment and audit planning processes ensure transparency into the process by which the risks that form the basis of NERC's approved annual audit plan are identified as well as the formation of the audit plan itself.

In addition, IACRM will separately notify the CCC of any audits identified in NERC's annual audit plan that relate to subject matter within the purview of Appendix 4A of NERC's ROP. Even though the development of the audit plan is an annual process, it identifies audits over a two year horizon. The CCC will be notified of all Appendix 4A audits over the two five year horizon as well as any changes to the audit plan relative to Appendix 4A audits. The audit plan and respective audit engagements presented to the CCC will also include approximate dates for when the audits will be conducted, in order to facilitate potential participation in the audits by CCC members.

## CCC Member Participation in Audits

IACRM will present the EWRC-approved list of Appendix 4A audits from the annual audit plan to the CCC at their fourth quarter meeting, and changes to the plan, if any, will be presented at subsequent quarterly CCC meetings. Any CCC member can participate in any Appendix 4A audit as an observer provided they have met the following criteria:

- CCC observer(s) must notify the CCC Chair regarding their request to participate in an audit at least 60 days in advance of the audit.
- The Chair of the CCC, or his or her designee, approves the CCC member's participation using reasonable discretion considering potential conflicts of interest, and other requestss for additional member participation, and ?.
- Each CCC observer(s) must identify-notify NERC of any potential conflicts of interest (COI) and will be subject to NERC's COI procedures in place at the time of the audit, which will include coordination with the REs and the ability of NERC to request replacement of an observer who has a COI.
- CCC observer(s) must complete an auditing overview program facilitated by NERC IANERC auditor training prior to participation. NERC IA will maintain a record of attendance/completion.
- Each CCC observer(s) must have an executed-a confidentiality agreement on file with NERC.

An audit observer's role will include the following activities related to the audit being observed:

- The CCC observer(s) may participate in audit team pre- and post-audit activities and observe actual auditing activities, including meetings with RE personnel in the areas that are subject to audit.
- The CCC observer(s) have the opportunity to provide questions, comments, and advice input to the auditor during the course of the audit.
- In accordance with Appendix 4A, the CCC observer(s) may have access to audit documents (as determined by NERC) on the secure NERC site. Examples include, but are not limited to, the following:
  - Engagement risk assessments, and pre-planning and planning questionnaires
  - Audit programs and testing conclusions
  - Audit reports (draft and final) and associated management action plans
- ~~The CCC observer may review the audit reports.~~

Despite ~~IACRM's IA's~~ best efforts to execute audits in accordance with established schedules, CCC members participating in audits should understand that schedules are fluid and can change at any time for a variety of reasons. Furthermore, it is important for ~~IACRM~~ to complete its audit work within certain timeframes in order to meet the needs of its stakeholders. For these reasons, it may not be possible to accommodate every schedule change request made by a CCC observer.

## CCC Participation Process

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### **Post-Audit Activities**

~~IA will schedule an exit briefing with the respective RE and shall include any preliminary findings and results from the audit. IA will provide the RE with a draft audit report within 30 business days of the last day of on-site fieldwork, which will include a review of the scope, methodology, evaluation of internal controls and conclusions. IA will schedule an audit closing meeting with the RE to review the report, observations and conclusions and address feedback from the RE related to the draft report. Consistent with Appendix 4A and ROP Section 1500, all reporting will be held in a confidential manner and shared on a need to know basis amongst IA and those responsible for executing regional entity RE oversight activities, consistent with Appendix 4A and ROP Section 1500.~~

~~IA will issue a final audit report to the RE 45 days after the receipt of RE's comments to the draft report or from the closing meeting, whichever is sooner. The final audit report with associated management action plans from the RE will be posted on the NERC website after IA presents the final report to the appropriate NERC Board of Trustees Committee. (Appendix 4A cites NERC Board of Trustees Compliance Committee as the governing body to receive such audit reports.)~~

~~IA will provide the CCC Executive Committee (CCCEC) ERO Monitoring Subcommittee (EROMS) with a report of all Appendix 4A audits upon completion consistent with Appendix 4A reporting requirements. Reports will describe audit scope, observations and recommendations, and management action and mitigation plans. The report will be in summary form and not attribute any observations to any particular RE.~~

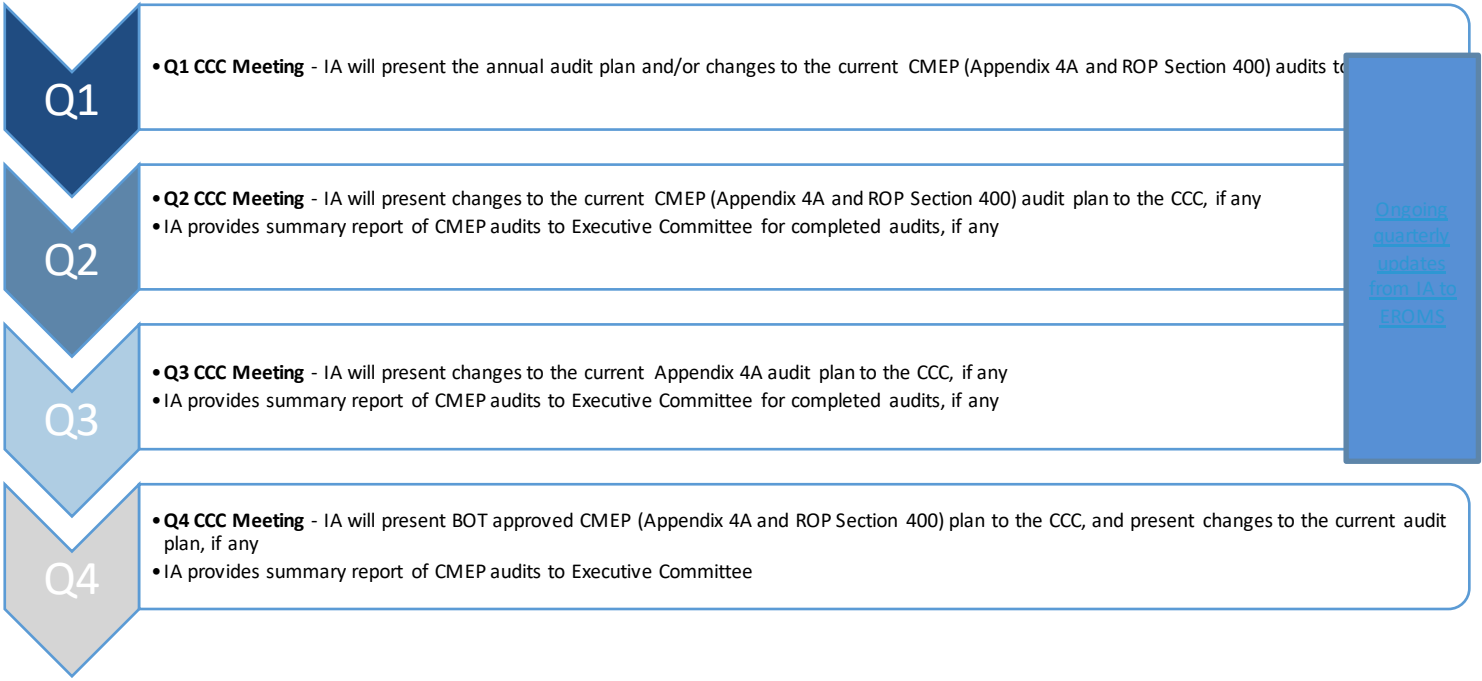
~~The RE will provide periodic updates (at least quarterly) to IA on the status of NERC and/or RE management action plans/corrective action until completion. IA will provide quarterly updates to the CCC's ERO Monitoring Subcommittee (EROMS) on the status of all NERC and/or RE management action plans and corrective action until completion, including any extensions or repeat issues consistent with practices governed by the internal audit/IA follow-up process. If applicable, any EROMS concerns will be communicated by EROMS to the CCCEC and IA.~~

~~On a semi-annual basis, IA/CRM will provide the CCC Executive Committee with a report of all Appendix 4A audits conducted since the last report, which will describe: audit scope, observations and recommendations, and management action and mitigation plans. The report will be in summary form and not attribute any observations to any particular RE. The semiannual report will also include a summary of any management action and mitigation plans from the current or previous reports that are already behind schedule for completion.~~

~~As part of NERC's five-year performance assessment, NERC will include a final report describing all IACRM's Appendix 4A and Section 1207 audit activities. This report will include RE specific observations, recommendations and mitigation actions so long as mitigation is complete.  
PLACEHOLDER depending on FERC decision.~~

# CCC Participation Process

## Timeline of Recurring CCC 4A Audit Participation Touch Points



## Data Retention and Confidentiality

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### Records Retention

Neither the CCC nor its audit observers will maintain or retain any records associated with the activities outlined in this procedure. Upon completion of participation, each CCC observer will purge any documents and records associated with the audits as advised by NERC.

### **Confidentiality Management**

NERC and the CCC observers will maintain confidentiality of all Confidential Information in accordance with Section 1500 of the ROP. Information deemed to be eCritical eEnergy IInfrastructure IInformation or Critical Electric Infrastructure Information will be redacted ~~and will not be released publicly~~ from materials provided to the CCC observers.

~~Neither the CCC nor its audit observers will maintain or retain any records associated with the activities outlined in this procedure. Upon completion of each participation, each CCC observer will purge any documents and records associated with the audit.~~

## Revision History

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<u>Date</u>	<u>Version Number</u>	<u>Comments</u>
<u>November 29, 2017</u>	<u>1.0</u>	<u>Approved by the Compliance and Certification Committee</u>
<u>February 8, 2018</u>	<u>1.0</u>	<u>Approved by NERC Board of Trustees</u>
<u>Month XX, 2021</u>	<u>2.0</u>	<u>Revision approved by the Compliance and Certification Committee</u>
<u>Month XX, 2021</u>	<u>2.0</u>	<u>Approved by the NERC Board of Trustees</u>

## **Compliance and Certification Committee Membership and Leadership Slate**

### **Action**

Approve

### **Background**

The CCC recommends that the Board of Trustees approve the following membership appointments for a three-year term from January 1, 2022 – December 31, 2024.

- Daniela Hammons, CenterPoint Energy, Investor-Owned Utility
- Keith Porterfield, Georgia System Operations Corporation, Cooperative Utility
- Tom McDonald, Bonneville Power Administration, Federal or Provincial Utility/PMA
- Leigh Mulholland, Capital Power Corporation, Merchant Electricity Generator
- Keith Comeaux, Cleco Corporation, Electricity Marketer
- Greg Campoli, New York ISO, ISO/RTO
- Lisa Milanes, California ISO, At-large
- Alice Ireland, Tri-State Generation and Transmission Association, At-large

The CCC, through its Chair, also requests Board of Trustees approval to solicit nominations to fill an open seat in the State/Municipal Utility sector for a term that would end on December 31, 2022. The seat was vacated in September due to a resignation after the CCC had completed the selection process that produced the slate of members listed above. The CCC's selection procedure provides that the CCC will only solicit nominations for vacant seats during its annual cycle unless it receives approval from the Board of Trustees to initiate an out-of-cycle process to fill the vacant seat.

In addition, the CCC recommends that the Board of Trustees approve the following slate of candidates for appointment as Chair and Vice Chair of the CCC for a two-year term from January 1, 2022 – December 31, 2023.

- Chair – Scott Tomashefsky
- Vice Chair – Silvia Parada Mitchell

## **Reliability and Security Technical Committee Proposed Charter Amendments**

### **Action**

Approve revisions to the Reliability and Security Technical Committee (“RSTC” or “Committee”) charter.

Attachment 1: CLEAN – RSTC Charter

Attachment 2: REDLINE – RSTC Charter

### **Background**

In November 2019, the NERC Board of Trustees (“Board”) approved the creation of the RSTC to replace the former Operating, Planning and Critical Infrastructure Protection Committees to improve the effectiveness and efficiency of those standing committees. In accordance with Article VII of the NERC Bylaws and Section 1301 of the NERC Rules of Procedure, the NERC Board of Trustees (“Board”) may appoint standing committees, by resolution, as the NERC Board deems necessary to carry out its purposes. Standing committees must be representative of members, other interested parties and the public. They must also provide for balanced decision-making as well as participation of persons with technical knowledge and experience.

### **Charter of the RSTC**

The NERC Board is responsible for approving the charter of a standing committee and assigning specific authority to conduct business within that charter. RSTC has been operating under its charter for almost two years. NERC proposes the following amendments to the RSTC charter to further enhance the efficiency of the RSTC’s operations.

Below is an overview of the proposed changes to the RSTC charter:

#### **Purpose (Section 1)**

- NERC proposes to incorporate a third objective of the RSTC to emphasize that the Committee oversees how its subgroups implement their work plans and develop risk-mitigating technical solutions.

#### **Functions (Section 2)**

- The current charter contains no reference to an RSTC work plan. NERC proposes to establish an RSTC strategic work plan which will be separate from the subgroups’ work plans. The strategic work plan will be developed every two years and will align with ERO objectives outlined in other strategic reports such as the business plan and budget, reliability assessments and the State of Reliability report. It will also be socialized with other standing committee work plans through the Standing Committee Coordinating Group.
- NERC proposes to replace the current, quarterly RSTC updates to the NERC Board with semi-annual updates on the strategic work plan. The RSTC would also submit this strategic work plan to the NERC Board on an annual basis for approval.



- NERC formally establishes the Committee's ability to assign an RSTC member, as necessary, to serve as a sponsor to a subgroup. In this role, the RSTC member sponsor primarily supports the subgroup Chair and Vice-Chair and serves as a liaison. The full expectations of the RSTC member sponsor are described in the Membership section (Section 3).

### **Membership (Section 3)**

- NERC adds a footnote to Sector 12 to clarify that the RSTC chooses to populate Committee membership from Sector 12 with only state government representatives.
- NERC adds a footnote to explain that the new Sector 13 under the NERC Bylaws is represented by the at-large representatives on the RSTC. Sector 13 representatives may represent another sector on the RSTC if they are selected by members of that sector.
- NERC clarifies that it is not NERC membership is not a prerequisite to serve as an RSTC member.
- NERC proposes to streamline the process for resolving affiliate conflicts amongst members by calling for the Nominating Subcommittee to make a recommendation to the NERC board to make a final decision if the impacted members cannot resolve the matter.
- NERC clarifies that during an annual election, if a sector seat cannot be filled and it is converted to an at-large seat, the converted at-large seat will revert back to a sector seat at the end of the term.
- NERC proposes that members of the Executive Committee, aside from the Vice-Chair not serve on the Nominating Subcommittee.
- NERC includes an additional Nominating Subcommittee seat and provides that at-large members shall recuse themselves from recommendations for at-large representative seats if they are seeking reappointment.
- NERC aligns the charter with the NERC Bylaws in noting that the RSTC Vice-Chair does not need to recuse him or herself from the Nominating Subcommittee so long as he or she is not seeking re-election.
- NERC clarifies that international representation on the RSTC will be consistent with the NERC Bylaws.
- NERC identifies a few criteria that the RSTC Nominating Subcommittee can balance in the selection of at-large members. These criteria are borrowed from the Compliance and Certification Committee charter to select at-large members.
- NERC outlines the expectations of NERC member sponsors.

### **Meetings (Section 4)**

- NERC clarifies that the RSTC may consult Robert's Rules of Order for open meetings if the charter does not provide the needed guidance.
- NERC proposes that quorum be established once at each meeting and not prior to each vote to emphasize the need for Committee members to participate throughout a meeting, regardless of the format of the meeting. NERC also proposes to grant the Chair sole discretion to allow discussion of agenda items in the absence of quorum.

- NERC proposes to change the requirement for approval of an action item by the RSTC from 2/3 votes “present” to 2/3 votes “cast.” This change enables the RSTC to exclude abstentions (i.e., those members in attendance, but who either chose not to vote or stepped away and did not vote) from the approval calculation. This approach encourages membership to be proactive in getting the required clarity to approve or fail an agenda item.
- NERC also notes that voting procedures are not impacted by the format of the meeting.
- NERC proposes that the RSTC can host three types of sessions: executive, open, and closed. Executive sessions and meetings of the Nominating Subcommittee are closed. The Chair may also hold other closed sessions in advance of open meetings with limited attendance, similar to the NERC Board committees. Attendance at such closed sessions will be determined on a non-discriminatory basis and to the extent that Confidential Information is discussed, Section 1500 of the NERC Rules of Procedure will apply.
- NERC also confirms that only members can vote during open meetings.
- NERC memorializes that any actions taken by the Executive Committee will be announced at the open meetings and included in the minutes of the open meetings.
- In the Chair’s proposed semi-annual update to the Board on the progress made in executing the RSTC’s strategic work plan, the Chair will capture any challenges that the committee is facing; however, the Board will not be presented with results of votes on actions.

#### **Officers and Executive Committee (Section 5)**

- NERC proposes to notify the RSTC membership of any urgent actions taken by the RSTC executive committee within one week of such actions. NERC will also memorialize such actions in the minutes of the next RSTC open meeting to maintain transparency.
- NERC notes that the RSTC executive committee is responsible for appointing sponsors to subgroups.

#### **Subordinate Groups (Section 6)**

- NERC proposes that the RSTC will update the NERC Board on its strategic work plan rather than on the specific works plans of its subgroups.
- The chair of any subgroup will be consistently selected by the RSTC Chair.

#### **Meeting Procedures (Section 7)**

- NERC outlines separate meetings procedures for in-person meetings and conference calls / virtual meetings.

#### **RSTC Deliverables and Approval Processes (Section 8)**

- NERC memorializes standard authorization requests as a deliverable of the RSTC subgroups.

- NERC clarifies that in the definition of SAR deliverables endorsed by the RSTC, the Standards Committee can remand a SAR to the RSTC, but not on grounds of the technical justification. This is consistent with the NERC Rules of Procedure.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Reliability and Security Technical Committee Charter

November 2021

Approved by the NERC Board of Trustees: XX XX, 2021

RELIABILITY | RESILIENCE | SECURITY



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# Table of Contents

---

Preface .....	iv
Section 1: Purpose .....	1
Section 2: RSTC Functions .....	2
Section 3: Membership .....	3
Representation Model.....	3
Member Selection .....	4
Member Expectations .....	5
Sponsor Expectations .....	5
Member Term .....	6
Vacancies and Proxies .....	6
Section 4: Meetings.....	7
Quorum .....	7
Voting .....	7
Executive, Open and Closed Sessions.....	7
Majority and Minority Views.....	7
Action without a Meeting.....	7
Section 5: Officers and Executive Committee.....	9
Officers .....	9
Secretary.....	9
Chair .....	9
Vice Chair.....	9
Executive Committee .....	10
Section 6: RSTC Subordinate Groups .....	11
Subcommittees.....	11
Working Groups.....	11
Task Forces .....	11
Section 7: Meeting Procedures.....	12
Voting Procedures for Motions .....	12
Minutes.....	12
Section 8: RSTC Deliverables and Approval Processes.....	13
Reliability Guidelines, Security Guidelines and Technical Reference Documents .....	13
Section 1600 Data or Information Requests .....	14
Other Types of Deliverables .....	14

Table of Contents

---

Review Process for other Deliverables..... 15

Actions for Deliverables..... 15

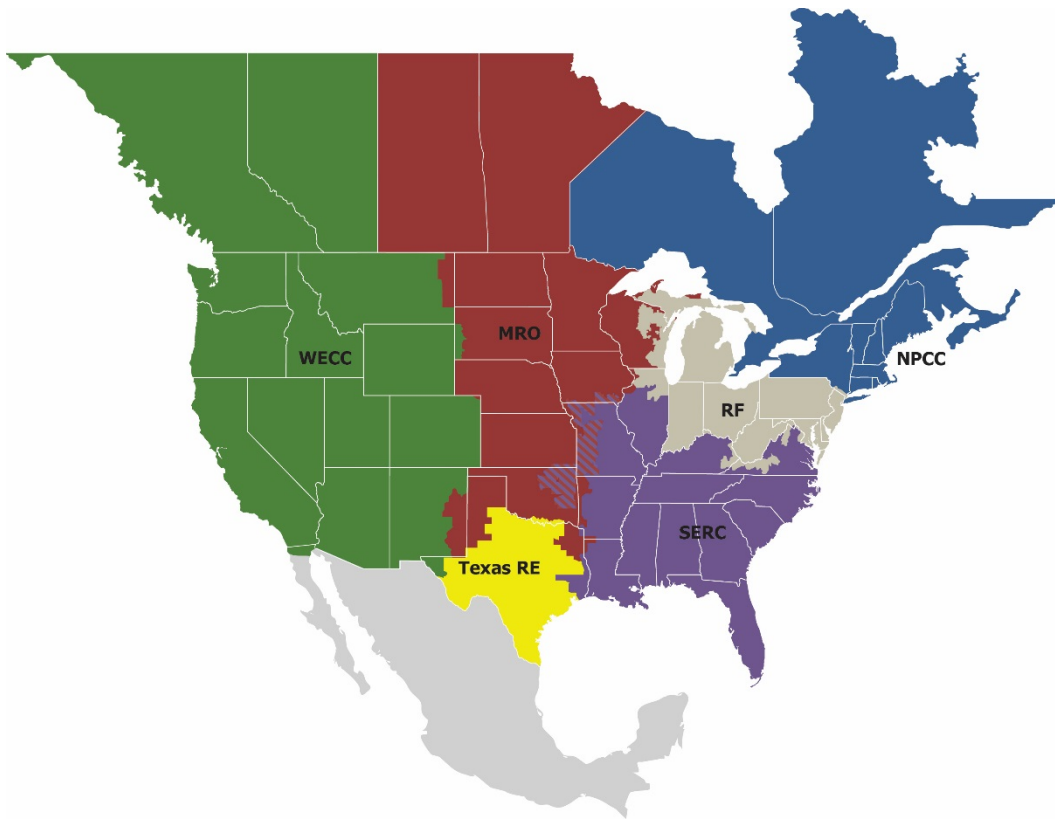
# Preface

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

Reliability | Resilience | Security  
*Because nearly 400 million citizens in North America are counting on us*

The North American BPS is divided into six Regional Entities' boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



<b>MRO</b>	Midwest Reliability Organization
<b>NPCC</b>	Northeast Power Coordinating Council
<b>RF</b>	ReliabilityFirst
<b>SERC</b>	SERC Reliability Corporation
<b>Texas RE</b>	Texas Reliability Entity
<b>WECC</b>	Western Electricity Coordinating Council

## Section 1: Purpose

---

The Reliability and Security Technical Committee (RSTC) is a standing committee that strives to advance the reliability and security of the interconnected BPS of North America by:

- Creating a forum for aggregating ideas and interests, drawing from diverse industry stakeholder expertise, to support the ERO Enterprise's mission;
- Leveraging such expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS for the benefit of industry stakeholders, the NERC Board of Trustees (Board) and ERO Enterprise staff and leadership; and,
- Overseeing the implementation of subgroup work plans that drive risk-mitigating technical solutions.



## Section 2: RSTC Functions

---

### **Create a forum for industry stakeholders to support NERC programs in the development of key ERO Enterprise deliverables.**

- Facilitate and advocate information sharing among relevant industry stakeholders;
- Review and provide guidance in developing deliverables critical to ERO functions, such as Reliability Standards, reliability assessments, requests for data (pursuant to Section 1600 of the NERC Rules of Procedure Section (ROP)), Implementation Guidance, and other analyses, guidelines, and reports;
- Solicit and coordinate technical direction, oversight activities, and feedback from industry stakeholders;
- Disseminate ERO deliverables to industry to enhance reliability;
- Develop internal and review external requests for industry actions and informational responses;
- Develop appropriate materials, as directed by ERO functions or the NERC Board, to support ERO Enterprise functions; and,
- Coordinate with ERO staff and liaise with government agencies and trade associations.
- Provide technical input and analyses on operating and planned BPS reliability and security, emerging issues and risks, and other general industry concerns at the request of the NERC Board or NERC staff.

### **Develop a two-year strategic work plan to guide the deliverables of the RSTC.**

- Ensure alignment of the strategic work plan with ERO reports and analyses, including the NERC Business Plan and Budget, ERO Enterprise Long-Term Strategy, Operating Plan, biennial Reliability Issues Steering Committee (RISC) ERO Reliability Risk Priorities report, State of Reliability report recommendations, Long-Term, Seasonal and Special Reliability Assessment recommendations and ongoing event analysis trends;
- Coordinate the objectives in the strategic work plan with the Standing Committees Coordinating Group; and,
- Obtain annual NERC Board approval.

### **Coordinate and oversee implementation of RSTC subgroup work plans.**

- Assign an RSTC member sponsor, as necessary, to subgroups to ensure alignment with RSTC schedules, processes, and strategic goals.
- Create and disband subcommittees, working groups and task forces to support ERO Enterprise functions;
- Harmonize and approve the work plans of subcommittees, working groups, and task forces with the strategic work plan; and,
- Track the progress of the subcommittees, working groups, and task forces to ensure that they complete assigned activities as outlined in their work plans.

### **Advise the NERC Board of Trustees.**

- Update the NERC Board semi-annually on progress in executing the strategic work plan; and,
- Present appropriate deliverables to the NERC Board.

## Section 3: Membership

---

### Representation Model

The RSTC has a hybrid representation model consisting of the following types of memberships:

- Sector members;
- At-large members; and,
- Non-voting members.

Two members shall be elected to each of the following membership sectors:

- Sector 1 - Investor-owned Utility;
- Sector 2 – State or Municipal Utility;
- Sector 3 - Cooperative Utility;
- Sector 4 - Federal or Provincial Utility/Power Marketing Administration;
- Sector 5 - Transmission-Dependent Utility;
- Sector 6 - Merchant Electricity Generator;
- Sector 7 - Electricity Marketer;
- Sector 8 - Large End Use Electricity Customer;
- Sector 9 - Small End Use Electricity Customer;
- Sector 10 - ISO/RTO; and,
- Sector 12 - Government Representatives.

Selection of at-large members will allow for better balancing of representation on the RSTC of the following:<sup>1</sup>

- Regional Entity and Interconnection diversity (i.e., goal of having at least one representative from each Interconnection and Regional Entity footprint);
- Subject matter expertise (Planning, Operating, or Security);
- Organizational types (Cooperatives, Investor-Owned Utilities, Public Power, Power Marketing Agencies, etc.); and,
- North American countries, consistent with the NERC bylaws (Canada, Mexico, and U.S.).

Below is a breakdown of voting and non-voting membership on the RSTC:

Voting Membership	
Name	Voting Members
Sectors 1-10 and 12	22
At-Large	10
Chair and Vice Chair	2
<b>Total</b>	<b>34</b>

---

<sup>1</sup> See, NERC Sector 13 in the NERC Bylaws (2021).

<b>Non-Voting Membership<sup>2</sup></b>	
<b>Non-Voting Member</b>	<b>Number of Members</b>
NERC Secretary	1
United States Federal Government	2
Canadian Federal Government	1
Provincial Government	1
<b>Total</b>	<b>5</b>

## Member Selection

RSTC members are not required to be from organizations who are NERC members.

Members are appointed to the RSTC upon approval of the NERC Board and serve on the RSTC at the pleasure of the NERC Board.

### 1. Affiliates

A company, including its affiliates, may not have more than one member on the RSTC. Any RSTC member who is aware of a membership conflict of this nature is obligated to notify the RSTC secretary within 10 business days. The RSTC secretary will in turn report the conflict to the RSTC chair.

Members impacted by such a conflict, such as through a merger of organizations, must confer among themselves to determine which member should resign from the RSTC and notify the secretary and chair; however, if they cannot reach an amicable solution to determine who will remain, the Nominating Subcommittee will review the qualifications of each member and make a recommendation to the NERC Board for final approval.

### 2. Election of Sector Members

NERC members in each sector will annually elect members for expiring terms or open seats using a nomination and election process that is open, inclusive, and fair. In the event that a sector has no nominations for one or both sector seats at the annual election, the RSTC will convert those empty sector seats to at-large seats until the end of the term.

Sector elections will be completed in time for the Nominating Subcommittee to identify and nominate at-large representatives as well as for the secretary to send the full RSTC membership list to the NERC Board for approval at its annual February meeting.

If an interim vacancy is created in a sector, a special election will be held unless it would coincide with the annual election process. If a sector cannot fill an interim vacancy, then that sector seat will remain vacant until the next annual election. Interim sector vacancies will not be filled with an at-large representative.

### 3. Nominating Subcommittee

The Nominating Subcommittee (RSTC NS) will consist of seven (7) members (the RSTC Vice-Chair and six (6) members drawing from different sectors and at-large representatives). Apart from the Vice-Chair, members of the RSTC Executive Committee (RSTC EC) shall not serve on the RSTC NS.

The NS members are nominated by the RSTC chair and voted on by the full RSTC membership.

The term for members of the NS is one (1) year.

<sup>2</sup> Upon recognition of NERC as the ERO, Mexican Government representation will be equitable and based approximately on proportionate Net Energy for Load.

The RSTC NS is responsible for (a) recommending individuals for at-large representative seats, and, (b) managing the process to select the chair and/or vice chair of the RSTC. The RSTC vice-chair shall recuse him or herself from this process unless he or she is not seeking re-election. At-large members on the RSTC NS shall recuse themselves from recommendations for at-large representative seats if they are seeking reappointment.

#### **4. Selection of At-Large Members**

The RSTC NS solicits and reviews nominations from the full RSTC and industry to fill at-large representative seats. After reaching consensus, the RSTC NS submits a recommended slate of at-large candidates to the Board at its annual February meeting for approval. To the extent practicable, the RSTC NS will balance the following criteria to select at-large members: (a) geographic diversity from all Interconnections and ERO Enterprise Regional Entities; (b) high-level understanding and perspective on reliability risks based on experience at an organization in a sector; and, (c) experience and expertise from an organization in the sector relevant to the RSTC.

The Board votes to appoint the at-large members.

#### **5. Non-Voting Members**

At the start of the annual RSTC nomination process the RSTC secretary will coordinate with entities entitled to non-voting membership to identify representatives for the non-voting seats.

#### **6. International Representation**

International representation on the RSTC shall be consistent with Article VIII Section 4 of the NERC Bylaws.

## **Member Expectations**

RSTC members are expected to act in accordance with this charter, as well as to accomplish the following:

- Adhere to NERC Antitrust Guidelines<sup>3</sup> and Participant Conduct Policy<sup>4</sup>;
- Demonstrate and provide knowledge and expertise in support of RSTC activities;
- Where applicable, solicit comments and opinions from constituents and groups of constituents or trade organizations represented by the member and convey them to the RSTC;
- Respond promptly to all RSTC requests, including requests for reviews, comments, and votes on issues before the RSTC; and,
- During meetings, comply with the procedures outlined for that meeting and identified in this Charter. .

## **Sponsor Expectations**

Sponsors are expected to act in accordance with this charter, as well as to accomplish the following:

- Understand and advance the expectations of the RSTC, not those of their sector or other interest group;
- Assure that recommendations and action plans are designed for implementation;
- Support the subgroup Chair and Vice-Chair in seeing the big picture without directing the activities of the subgroup; and,
- Liaise with the RSTC.

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<sup>3</sup> [https://www.nerc.com/pa/Stand/Resources/Documents/NERC\\_Antitrust\\_Compliances\\_Guidelines.pdf](https://www.nerc.com/pa/Stand/Resources/Documents/NERC_Antitrust_Compliances_Guidelines.pdf)

<sup>4</sup> [https://www.nerc.com/gov/Annual%20Reports/NERC\\_Participant\\_Conduct\\_Policy.pdf](https://www.nerc.com/gov/Annual%20Reports/NERC_Participant_Conduct_Policy.pdf)

## Member Term

When the initial staggered, two- and three-year terms of RSTC members have expired , all subsequent terms will be two years.

An RSTC member may serve a term shorter than two (2) years if:

- Two (2) members are simultaneously selected to a sector that did not have any existing members, in order to stagger their terms, one member will be assigned a one-year term and the second member will be assigned a two-year term.
- A member is selected to fill a vacant member seat between elections, the term will end when the term for that vacant seat ends.

There are no limits on the number of terms that members can serve.

## Vacancies and Proxies

Membership vacancies may be filled between annual elections using the aforementioned selection process.

### 1. Vacancies Created by the Member

In the event a member can no longer serve on the RSTC, that member will submit a written resignation to the RSTC chair or the secretary.

### 2. Vacancies Requested by the Chair

The chair may request any RSTC member who ceases to participate in the RSTC consistent with member expectations (above) and to the satisfaction of the chair, to submit a resignation or to request continuation of membership with an explanation of extenuating circumstances. If a written response is not received within 30 days of the chair's request, the lack of response will be considered a resignation. If the chair is not satisfied with a written response, the RSTC chair will refer the matter to the NERC Board.

### 3. Vacancies Requested by the Board

RSTC members serve at the pleasure of the NERC Board. The NERC Board may initiate a request for resignation, removal, or replacement a member from the RSTC, as it deems appropriate or at the request of the RSTC chair.

### 4. Proxies

A voting member may select a proxy who attends and votes during all or a portion of a committee meeting in lieu of a voting member, provided that the absent voting representatives notifies the RSTC chair, vice chair, or secretary of the proxy. A proxy may not be given to another RSTC member. A proxy must meet the RSTC's membership eligibility requirements, including affiliate restrictions.

To permit time to determine a proxy's eligibility, all proxies must be submitted to the secretary in writing at least one week prior to the meeting (electronic transmittal is acceptable) for approval by the chair. Any proxy submitted after that time will be accepted at the chair's discretion.

## Section 4: Meetings

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Open meetings will be conducted in accordance with this Charter. The Chair may consult Robert's Rules of Order for additional guidance.

### Quorum

The quorum necessary for transacting business at meetings of the RSTC is two-thirds of the voting members currently on the RSTC's roster and is determined once at each meeting.

If a quorum is not determined, the RSTC may not take any actions requiring a vote; however, the chair may allow discussion of the agenda items.

### Voting

Actions by the RSTC will be approved upon receipt of the affirmative vote of two-thirds of the votes cast at any meeting at which a quorum is present. An abstention ("present" vote) does not count as a vote cast.

Voting may take place during regularly scheduled in-person meetings,, via electronic mail, or via conference call/virtual meeting.

Refer to Section 7 for voting procedures.

### Executive, Open and Closed Sessions

The RSTC holds meetings open to the public, except as noted herein. Although meetings are open, only voting members may offer and act on motions.

All meetings of the Executive Committee and the RSTC NS shall be conducted in closed session.

The chair may also hold closed sessions in advance of the open meeting with limited attendance based on the confidentiality of the information to be disclosed at the meeting. Such limitations should be applied sparingly and on a non-discriminatory basis. Any discussion of confidential information in a closed session shall be consistent with Section 1500 of the NERC ROP.<sup>5</sup>

### Majority and Minority Views

All members of a committee will be given the opportunity to provide alternative views on an issue. The results of committee actions, including recorded minutes, will reflect the majority as well as any minority views of the committee members.

### Action without a Meeting

Any action required or permitted at a meeting of the committee may be taken without a meeting at the request of the chair.

Such action without a meeting will be performed by electronic ballot (e.g., telephone, email, or Internet survey) and considered a roll call ballot. The secretary will announce the action required at least five business days before the date on which voting commences. As time permits, members should be allowed a window of ten (10) business days

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<sup>5</sup> Section 1500 of the NERC ROP - [https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20\(With%20Appendices\).pdf](https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20(With%20Appendices).pdf)

to vote. The secretary will document the results of such an action within ten (10) business days of the close of the voting period. Such action must meet the regular meeting quorum and voting requirements above.

## Section 5: Officers and Executive Committee

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### Officers

The RSTC will have two officers – one chair and one vice-chair.

Officers shall be selected as follows:

- The RSTC NS solicits nominations for chair and vice-chair through an open nomination process. Self-nominations are permitted during the open nomination period.
- At the close of the nomination period, the RSTC NS will propose a chair and a vice-chair candidate. The full RSTC will elect the chair and vice chair.
- The chair and vice chair must be a committee member and shall not be from the same sector.
- The elected chair and vice-chair are appointed by the NERC Board.
- No individual may serve more than one term as vice chair and one term as chair unless an exception is approved by the Board.

### Secretary

NERC will appoint the RSTC secretary.

A member of the NERC staff will serve as the secretary of the RSTC. The secretary will do the following:

- Manage the day-to-day operations and business of the RSTC;
- Prepare and distribute notices of the RSTC meetings, prepare the meeting agenda, and prepare and distribute the minutes of the RSTC meetings;
- Facilitate the election/selection process for RSTC members; and,
- Act as the RSTC's parliamentarian.

### Chair

The chair will direct and provide general supervision of RSTC activities, including the following:

- Coordinate the scheduling of all meetings, including approval of meeting duration and location;
- Develop agendas and rule on any deviation, addition, or deletion from a published agenda;
- Preside at and manage meetings, including the nature and length of discussion, recognition of speakers and proxies, motions, and voting;
- Act as spokesperson for the RSTC at forums inside and outside of NERC; and,
- Attend meetings of the NERC Board when necessary to report on RSTC activities.

### Vice Chair

The vice chair will assume the responsibilities of the chair under the following conditions:

- At the discretion of the chair (for brief periods of time);
- When the chair is absent or temporarily unable to perform the chair's duties; or,
- When the chair is permanently unavailable or unable to perform the chair's duties. In the case of a permanent change, the vice chair will continue to serve until a new chair is nominated and appointed by the NERC Board.



## **Executive Committee**

The RSTC EC shall consist of six (6) members:

- Chair;
- Vice-chair;
- Four (4) RSTC voting members selected by the RSTC chair and vice-chair with a reasonable balance of subject matter expertise in Operations, Planning, and/or Security and with consideration for diversity in representation (i.e., sectors, Regional Entities, Interconnections, etc.).

The RSTC EC of the RSTC is authorized by the RSTC to act on its behalf between regular meetings on matters where urgent actions are crucial and full RSTC discussions are not practical. The RSTC shall be notified of such urgent actions taken by the RSTC EC within a week of such actions. These actions shall also be included in the minutes of the next open meeting.

Ultimate RSTC responsibility resides with its full membership whose decisions cannot be overturned by the EC. The RSTC retains the authority to ratify, modify, or annul RSTC EC actions.

After general solicitation from RSTC membership, the RSTC EC will appoint any sponsors of subgroups.

## Section 6: RSTC Subordinate Groups

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The RSTC organizational structure will be aligned as described by the NERC Bylaws to support a superior-subordinate hierarchy.

The RSTC may establish subcommittees, working groups, and task forces as necessary. The RSTC will be the responsible sponsor of all subordinate subcommittees, working groups, or task forces that it creates, or that its subordinate subcommittees and working groups may establish.

Officers of subordinate groups will be appointed by the chair of the RSTC.

Subcommittees, working groups, and taskforces will conduct business in a manner consistent with all applicable sections of this Charter.

### Subcommittees

The RSTC may establish subcommittees to which the RSTC may delegate some of RSTC's functions. The RSTC will approve the scope of each subcommittee it forms. The RSTC chair will appoint the subcommittee officers (typically a chair and a vice chair) for a specific term (generally two years). The subcommittee officers may be reappointed for up to two additional terms. The subcommittee will work within its assigned scope and be accountable for the responsibilities assigned to it by the committee. The formation of a subcommittee, due to the permanency of the subcommittee, will be approved by the NERC Board.

### Working Groups

The RSTC may delegate specific continuing functions to a working group. The RSTC will approve the scope of each working group that it forms. The RSTC chair will appoint the working group officers (typically a chair and a vice chair) for a specific term (generally two (2) years). The working group officers may be reappointed for one (1) additional term. The RSTC will conduct a "sunset" review of each working group every year. The working group will be accountable for the responsibilities assigned to it by the RSTC or subcommittee and will, at all times, work within its assigned scope. The RSTC should consider promoting to a subcommittee any working group that is required to work longer than one term.

### Task Forces

The RSTC may assign specific work to a task force. The RSTC will approve the scope of each task force it forms. The RSTC chair will appoint the task force officers (typically a chair and a vice chair). Each task force will have a finite duration, normally less than one year. The RSTC will review the task force scope at the end of the expected duration and at each subsequent meeting of the RSTC until the task force is retired. Action of the RSTC is required to continue the task force past its defined duration. The RSTC should consider promoting to a working group any task force that is required to work longer than one year.

## Section 7: Meeting Procedures

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### Voting Procedures for Motions

#### In-Person

- The default procedure is a voice vote.
- If the chair believes the voice vote is not conclusive, the chair may call for a show of hands.
- The chair will not specifically ask those who are abstaining to identify themselves when voting by voice or a show of hands. If the chair desires a roll call, the secretary will call each member's name.

Members answer "yes," "no," or "present" if they wish to abstain from voting. As provided above, an abstention does not count as a vote cast.

#### Conference Call / Virtual

- All voting shall default to being conducted through use of a poll.
- Where a need to record each member's vote is requested or identified, the RSTC may conduct voting via a roll call vote.

### Minutes

- Meeting minutes are a record of what the committee did, not what its members said.
- Minutes should list discussion points where appropriate, but should usually not attribute comments to individuals. It is acceptable to cite the chair's directions, summaries, and assignments.
- All Committee members are afforded the opportunity to provide alternative views on an issue. The meeting minutes will provide an exhibit to record minority positions.

## Section 8: RSTC Deliverables and Approval Processes

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The RSTC will abide by the following to approve, endorse, or accept committee deliverables.

### **Reliability Guidelines, Security Guidelines and Technical Reference Documents**

Reliability Guidelines, Security Guidelines, and Technical Reference Documents suggest approaches or behavior in a given technical area for the purpose of improving reliability. Reliability Guidelines and Security Guidelines are not binding norms or mandatory requirements. Reliability Guidelines and Security Guidelines may be adopted by a responsible entity in accordance with its own facts and circumstances.

#### **1. New/updated draft guideline approved for industry posting.**

The RSTC accepts for posting for industry comment the release of a new or updated draft guideline developed by one of its subgroups or the committee as a whole.

The draft guideline is posted as “for industry-wide comment” for 45 days. If the draft guideline is an update, a redline version against the previous version must also be posted.

After the public comment period, the RSTC will post the comments received as well as its responses to the comments. The RSTC may delegate the preparation of responses to a committee subgroup.

A new or updated guideline which considers the comments received, is approved by the RSTC and posted as “Approved” on the NERC website. Updates must include a revision history and a redline version against the previous version.

After posting a new or updated guideline, the RSTC will continue to accept comments from the industry via a web-based forum where commenters may post their comments.

- a. Each quarter, the RSTC will review the comments received.
- b. At any time, the RSTC may decide to update the guideline based on the comments received or on changes in the industry that necessitate an update.
- c. Updating an existing guideline will require that a draft updated guideline be approved by the RSTC in the above steps.

#### **2. Review of Approved Reliability Guidelines, Security Guidelines and Technical Reference Documents**

Approved Reliability Guidelines or Technical Reference Document shall be reviewed for continued applicability by the RSTC at a minimum of every third year since the last revision.

#### **3. Communication of New/Revised Reliability Guidelines, Security Guidelines and Technical Reference Documents**

In an effort to ensure that industry remains informed of revisions to a Reliability Guideline or Technical Reference Document or the creation of a new Reliability Guideline or Technical Reference Document, the RSTC subcommittee responsible for the Reliability Guideline will follow an agreed upon process.

#### **4. Coordination with Standards Committee**

Standards Committee authorization is required for a Reliability Guideline or Security Guidelines to become a supporting document that is posted with or referenced from a NERC Reliability Standard. See Appendix 3A in the NERC’s ROP under “Supporting Document.”

## Section 1600 Data or Information Requests<sup>6</sup>

A report requested by the RSTC that accompanies or recommends a Rules of Procedure (ROP) Section 1600 - Data or Information Request will follow the process outlined below:

1. This Section 1600 request, with draft supporting documentation, will be provided to the RSTC at a regular meeting.
2. The draft Section 1600 data request and supporting documentation will be considered for authorization to post for comments at the RSTC regular meeting.
3. A committee subgroup will review and develop responses to comments on the draft Section 1600 data request and will provide a final draft report, including all required documentation for the final data request, to the RSTC at a regular meeting for endorsement.
4. The final draft of the 1600 data request – with responses to all comments and any modifications made to the request based on these comments – will be provided to the NERC Board.

## Other Types of Deliverables

### 1. Policy Outreach

On an ongoing basis, the RSTC will coordinate with the forums, policymakers, and other entities to encourage those organizations to share reliability guidelines, technical reference documents and lessons learned to benefit the industry.

Reports required under the NERC ROP or as directed by an Applicable Governmental Authority or the NERC Board: documents include NERC’s long-term reliability assessment, special assessments, and probabilistic assessments. These reports may also be used as the technical basis for standards actions and can be part of informational filings to FERC or other government agencies.

### 2. White Papers

Documents that explore technical facets of topics, often making recommendations for further action. They may be written by subcommittees, working groups, or task forces of their own volition, or at the request of the RSTC.

### 3. Technical Reference Documents and Technical Reports

Documents that serve as a reference for the electric utility industry and/or NERC stakeholders regarding a specific topic of interest. These deliverables are intended to document industry practices or technical concepts at the time of publication and may be updated as deemed necessary, per a recommendation by the RSTC or its subgroups to reflect current industry practices.

### 4. Implementation Guidance

Documents providing examples or approaches for registered entities to comply with standard requirements. The RSTC is designated by the ERO Enterprise as a pre-qualified organization for vetting Implementation Guidance in accordance with NERC Board -approved Compliance Guidance Policy. Implementation Guidance that is endorsed by the RSTC can be submitted to the ERO Enterprise for endorsement, allowing for its use in Compliance Monitoring and Enforcement Program (CMEP) activities.

### 5. Standard Authorization Requests (SAR)

A form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability

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<sup>6</sup> Section 1600 of the NERC ROP - [https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20\(With%20Appendicies\).pdf](https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20(With%20Appendicies).pdf)

Standards. RSTC endorsement of a SAR supports: (a) initial vetting of the technical material prior to the formal Standards Development Process, and, (b) that sound technical justification has been developed, and the SAR will not be remanded back to the RSTC to provide such justification per the Standard Processes Manual.

## Review Process for other Deliverables

Deliverables with a deadline established by NERC management or the NERC Board will be developed based on a timeline reviewed by the RSTC to allow for an adequate review period, without compromising the desired report release dates. Due to the need for flexibility in the review and approval process, timelines are provided as guidelines to be followed by the committee and its subgroups.

A default review period of no less than 10 business days will be provided for all committee deliverables. Requests for exceptions may be brought to the RSTC at its regular meetings or to the RSTC EC if the exception cannot wait for an RSTC meeting.

In all cases, a final report may be considered for approval, endorsement, or acceptance if the RSTC, as outlined above, decides to act sooner.

## Actions for Deliverables

### 1. Approve:

The RSTC has reviewed the deliverable and supports the content and development process, including any recommendations.

### 2. Accept:

The RSTC has reviewed the deliverable and supports the development process used to complete the deliverable.

### 3. Remand:

The RSTC remands the deliverable to the originating subcommittee, refer it to another group, or direct other action by the RSTC or one of its subcommittees or groups.

### 4. Endorse:

The RSTC agrees with the content of the document or action, and recommends the deliverable for the approving authority to act on. This includes deliverables that are provided to the RSTC by other NERC committees. RSTC endorsements will be made with recognition that the deliverable is subject to further modifications by NERC Executive Management and/or the NERC Board. Changes made to the deliverable subsequent to RSTC endorsement will be presented to the RSTC in a timely manner. If the RSTC does not agree with the deliverable or its recommendations, it may decline endorsement. It is recognized that this does not prevent an approval authority from further action.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Reliability and Security Technical Committee Charter

November ~~2019~~2021

Approved by the NERC Board of Trustees: XX XX, ~~2019~~2021

RELIABILITY | RESILIENCE | SECURITY



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# Table of Contents

---

Preface .....	v
Section 1: Purpose .....	1
Section 2: RSTC Functions .....	2
Section 3: Membership .....	4
Representation Model .....	4
Member Selection .....	5
Member Expectations .....	6
Term .....	7
Vacancies and Proxies .....	7
Section 4: Meetings .....	9
Quorum .....	9
Voting .....	9
Open Meetings .....	9
Confidential Sessions .....	9
Majority and Minority Views .....	9
Action without a Meeting .....	10
Section 5: Officers and Executive Committee .....	11
Officers .....	11
Secretary .....	11
Chair .....	11
Vice Chair .....	11
Executive Committee .....	12
Section 6: RSTC Subordinate Groups .....	13
Subcommittees .....	13
Working Groups .....	13
Task Forces .....	13
Section 7: Meeting Procedures .....	14
Voting Procedures for Motions .....	14
Minutes .....	14
Section 8: RSTC Deliverables and Approval Processes .....	15
Reliability Guidelines .....	15
Section 1600 Data or Information Requests .....	16
Other Types of Deliverables .....	16



Table of Contents

Review Process for other Deliverables.....17

Possible Actions for other Deliverables.....17

Preface ..... v

Section 1: Purpose ..... 1

Section 2: RSTC Functions ..... 2

Section 3: Membership ..... 4

    Representation Model..... 4

    Member Selection ..... 5

    Member Expectations ..... 6

    Term ..... 7

    Vacancies and Proxies ..... 7

Section 4: Meetings..... 9

    Quorum ..... 9

    Voting ..... 9

    Executive, Open and Closed Sessions..... 9

    Majority and Minority Views..... 9

    Action without a Meeting..... 10

Section 5: Officers and Executive Committee..... 11

    Officers ..... 11

    Secretary..... 11

    Chair ..... 11

    Vice Chair..... 11

    Executive Committee ..... 12

Section 6: RSTC Subordinate Groups ..... 13

    Subcommittees..... 13

    Working Groups..... 13

    Task Forces ..... 13

Section 7: Meeting Procedures ..... 14

    Voting Procedures for Motions ..... 14

    Minutes..... 14

Section 8: RSTC Deliverables and Approval Processes..... 15

    Overview of Deliverables..... **Error! Bookmark not defined.**

    ..... **Error! Bookmark not defined.**

    Reliability Guidelines ..... 15

Section 1600 Data or Information Requests ..... 16

---

Table of Contents

---

[Other Types of Deliverables .....](#) 16

[Review Process for other Deliverables.....](#) 17

[Actions for Deliverables.....](#) 17

[Section 9: Meeting Governance.....](#) 18

[Notes on Motions.....](#) 19

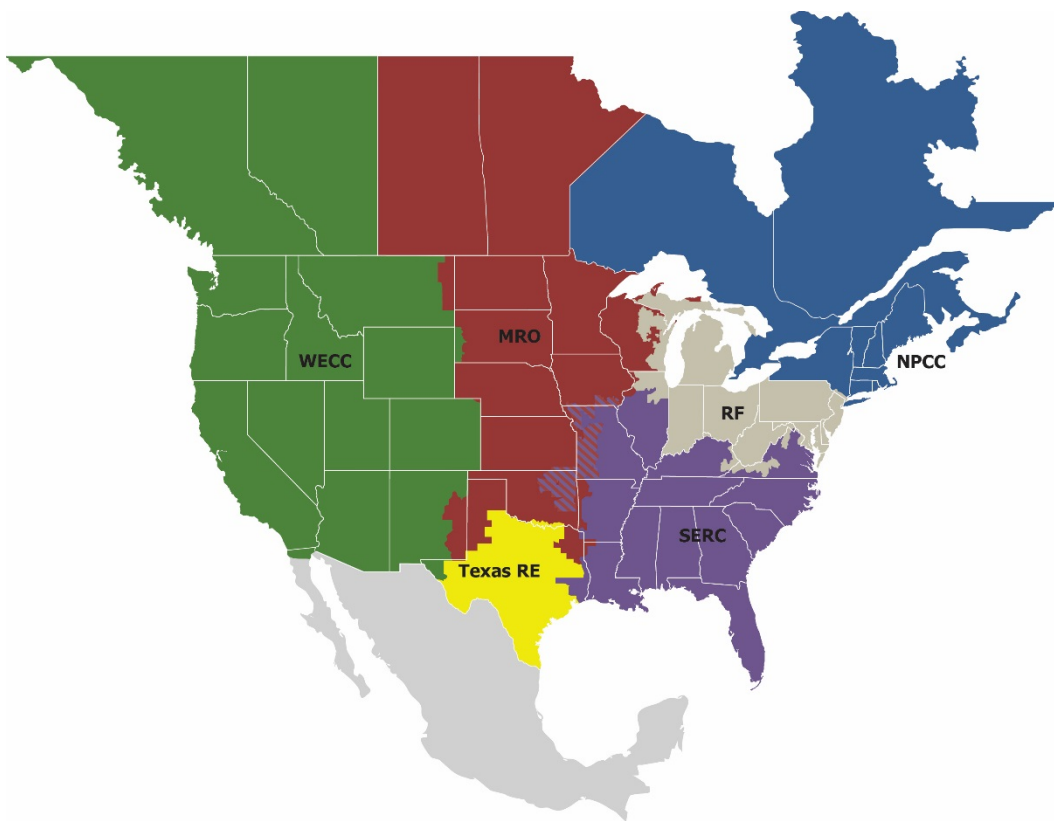
# Preface

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

Reliability | Resilience | Security  
*Because nearly 400 million citizens in North America are counting on us*

The North American BPS is divided into six [RE-Regional Entities](#) boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



<b>MRO</b>	Midwest Reliability Organization
<b>NPCC</b>	Northeast Power Coordinating Council
<b>RF</b>	ReliabilityFirst
<b>SERC</b>	SERC Reliability Corporation
<b>Texas RE</b>	Texas Reliability Entity
<b>WECC</b>	Western Electricity Coordinating Council

## Section 1: Purpose

---

The Reliability and Security Technical Committee (RSTC) is a standing committee that strives to advance the reliability and security of the interconnected BPS of North America by:

- Creating a forum for aggregating ideas and interests, drawing from diverse industry stakeholder expertise, to support the ERO Enterprise's mission; ~~and,~~
- Leveraging such expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS for the benefit of industry stakeholders, the NERC Board of Trustees (Board) and ERO Enterprise staff and leadership; ~~and,~~
- Overseeing the implementation of subgroup work plans that drive risk-mitigating technical solutions.

## Section 2: RSTC Functions

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**Create a forum for industry stakeholders to support NERC programs in the development of key ERO Enterprise deliverables.**

- Facilitate and advocate information sharing among relevant industry stakeholders;
- Review and provide guidance in developing deliverables critical to ERO functions, such as Reliability Standards, reliability assessments, requests for data (pursuant to Section 1600 of the NERC Rules of Procedure Section (ROP)), Implementation Guidance, and other analyses, guidelines, and reports;
- Solicit and coordinate technical direction, oversight activities, and feedback from industry stakeholders;
- Disseminate ERO deliverables to industry to enhance reliability;
- Develop internal and review external requests for industry actions and informational responses;
- Develop appropriate materials, as directed by ERO functions or the NERC Board, to support ERO Enterprise functions; and,
- Coordinate with ERO staff and liaise with government agencies and trade associations.
- Provide technical input and analyses on operating and planned BPS reliability and security, emerging issues and risks, and other general industry concerns at the request of the NERC Board or NERC staff.

**Develop a rolling two-year strategic work plan to guide the deliverables of the RSTC subgroups.**

- Ensure alignment of the strategic work plan with ERO reports and analyses, including the NERC Business Plan and Budget, ERO Enterprise Long-Term Strategy, Operating Plan, biennial Reliability Issues Steering Committee (RISC) ERO Reliability Risk Priorities report, State of Reliability report recommendations, Long-Term, Seasonal and Special Reliability Assessment recommendations and ongoing events analysis trends;
- Coordinate the objectives in the strategic work plan with the Standing Committees Coordinating Group; and,
- Obtain annual NERC Board approval.

**Coordinate and oversee implementation of RSTC subgroup work plans.**

- Assign an RSTC member sponsor, as necessary, to subgroups to ensure alignment with RSTC schedules, processes, and strategic goals.
- Create and disband subcommittees, working groups and task forces to support ERO Enterprise functions;
- Harmonize and approve the work plans of subcommittees, working groups, and task forces ~~to ensure alignment with strategic reports and analyses, such as the Business Plan and Budget, ERO Enterprise Long-Term Strategy, Operating Plan, biennial RISC report, State of Reliability report recommendations, Long-Term, Seasonal and Special Reliability Assessment recommendations and ongoing events analysis trends; and, with the strategic work plan; and,~~
- Track the progress of the subcommittees, working groups, and task forces to ensure that they complete assigned activities ~~in implementing as outlined in their work plans.~~

**Advise the NERC Board of Trustees.**

- ~~• Approve, accept, remand or endorse<sup>1</sup> ERO processes, analyses, reports, and other Update the NERC Board semi-annually on progress in executing the strategic work plan; and,~~
- ~~• Present appropriate deliverables ~~for~~to the NERC Board; ~~and,~~~~
- ~~• Provide technical input and analyses on operating and planned BPS reliability and security, emerging issues and risks, and other general industry concerns at the request of the NERC Board or NERC staff.~~

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<sup>1</sup>See Section 8 for further details on these actions.

## Section 3: Membership

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### Representation Model

The RSTC has a hybrid representation model consisting of the following types of memberships:

- Sector members;
- At-large members; and,
- Non-voting members.

Two members shall be elected to each of the following membership sectors:

- Sector 1 - Investor-owned Utility;
- Sector 2 – State ~~or~~ Municipal Utility;
- Sector 3 - Cooperative Utility;
- Sector 4 - Federal or Provincial Utility/Power Marketing Administration;
- Sector 5 - Transmission-~~dependent~~Dependent Utility;
- Sector 6 - Merchant Electricity Generator;
- Sector 7 - Electricity Marketer;
- Sector 8 - Large End Use Electricity Customer;
- Sector 9 - Small End Use Electricity Customer;
- Sector 10 - ISO/RTO; and,
- Sector 12 - Government Representatives.

Selection of at-large members will allow for better balancing of representation on the RSTC of the following:<sup>2</sup>

- Regional Entity and Interconnection diversity (i.e., goal of having at least one representative from each Interconnection and Regional Entity footprint);
- Subject matter expertise (Planning, Operating, or Security);
- Organizational types (Cooperatives, Investor-Owned Utilities, Public Power, Power Marketing Agencies, etc.); and,
- North American countries, consistent with the NERC bylaws (Canada, Mexico, and U.S.).

Below is a breakdown of voting and non-voting membership on the RSTC:

Voting Membership	
Name	Voting Members
Sectors 1-10 and 12	22
At-Large	10
Chair and Vice Chair	2
<b>Total</b>	<b>34</b>

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<sup>2</sup> See, [NERC Sector 13 in the NERC Bylaws \(2021\)](#).

Non-Voting Membership <sup>3</sup>	
Non-Voting Member	Number of Members
NERC Secretary	1
United States Federal Government	2
Canadian Federal Government	1
Provincial Government	1
<b>Total</b>	<b>5</b>

## Member Selection

~~It is expected that~~ RSTC members will are not required to be from organizations who are NERC members, ~~but it is not required.~~

Members are appointed to the RSTC upon approval of the NERC Board and serve on the RSTC at the pleasure of the NERC Board.

### 1. Affiliates

A company, including its affiliates, may not have more than one member on the RSTC. Any RSTC member who is aware of a membership conflict of this nature is obligated to notify the RSTC secretary within 10 business days. The RSTC secretary will in turn report the conflict to the RSTC chair.

Members impacted by such a conflict, such as through a merger of organizations, ~~may~~must confer among themselves to determine which member should resign from the RSTC and notify the secretary and chair; however, if they ~~are within the same industry sector and~~ cannot reach an amicable solution to determine who will remain, the Nominating Subcommittee ~~Executive Committee~~ will review the qualifications of each member and make a recommendation to the ~~full RSTC- NERC Board for final approval. The RSTC will determine which member shall continue to serve, subject to NERC Board approval final decision.~~

~~If the conflict is not resolved in a timely manner by the impacted members, the chair shall notify all members of the affected industry sectors and recommend actions to resolve the conflict. If the membership conflict remains unresolved, the chair shall refer the conflict to the NERC Board for resolution.~~

### 2. Election of Sector Members

NERC members in each sector will annually elect members for expiring terms or open seats using a nomination and election process that is open, inclusive, and fair. In the event that a sector has no nominations for one or both sector seats at the annual election, the RSTC ~~will~~ must first will attempt to fill convert those ~~empty~~ sector ~~positions with seats to~~ at-large ~~members. Otherwise, the sector seat will remain vacant seats~~ until the ~~next annual election end of the term.~~

Sector elections will be completed in time for the Nominating Subcommittee to identify and nominate at-large representatives as well as for the secretary to send the full RSTC membership list to the NERC Board for ~~its~~ approval at ~~the its annual~~ February meeting.

~~After the secretary announces the election results, newly elected members will serve on the RSTC pending approval by the Board.~~

If an interim vacancy is created in a sector, a special election will be held unless it would coincide with the annual election process. If a sector cannot fill an interim vacancy, then that sector seat will remain vacant until the next annual election. Interim sector vacancies will not be filled with an at-large representative.

<sup>3</sup> Upon recognition of NERC as the ~~Electric Reliability Organization ERO~~, Mexican Government representation will be equitable and based approximately on proportionate Net Energy for Load.



### 3. Nominating Subcommittee

The Nominating Subcommittee (RSTC NS) will consist of ~~six~~seven ~~(6)~~ (7) members (the RSTC Vice-Chair and ~~five~~six ~~(6)~~ members drawing from different sectors and at-large representatives). Apart from the Vice-Chair, members of the RSTC Executive Committee (RSTC EC) shall not serve on the RSTC NS.

The ~~Nominating Subcommittee~~NS members are nominated by the RSTC chair and ~~approved~~voted on by the full RSTC membership.

The term for members of the ~~Nominating Subcommittee~~NS is ~~two~~one ~~(2)~~ (1) years.

~~In addition to~~The RSTC NS is responsible for (a) recommending individuals for at-large representative seats, ~~the Nominating Subcommittee manages~~and, (b) ~~managing~~ the process to select the chair and/or vice chair of the RSTC. The RSTC vice-chair shall recuse him or herself from this process ~~unless he or she is not seeking re-election~~. At-large members on the RSTC NS shall recuse themselves from recommendations for at-large representative seats if they are seeking reappointment.

### 4. Selection of At-Large Members

~~The RSTC NS solicits and reviews nominations from the full RSTC and industry to fill at-large representative seats. The~~After reaching consensus, ~~the Nominating Subcommittee RSTC NS recommends~~submits a recommended slate of at-large candidates ~~individuals to fill at-large representative seats on the RSTC,~~ ~~following consultation of~~to the Board at its annual February meeting for approval. To the extent practicable, the RSTC NS will balance the following criteria to select at-large members: (a) geographic diversity from all Interconnections and ERO Enterprise Regional Entities; (b) high-level understanding and perspective on reliability risks based on experience at an organization in a sector; and, (c) experience and expertise from an organization in the sector relevant to the RSTC.

~~The Board votes to appoint the full RSTC~~at-large members.

### 5. Non-Voting Members

At the start of the annual RSTC nomination process ~~and prior to voting by the full RSTC,~~ the RSTC secretary will coordinate with entities entitled to non-voting membership to identify representatives for the non-voting seats. ~~If a non-voting seat cannot be filled, then it will remain vacant until the next annual election.~~

### 6. International Representation

~~Canadian~~International representation on the RSTC shall be consistent with Article VIII Section 4 of the NERC Bylaws.

## Member Expectations

RSTC members are expected to act in accordance with this charter, ~~as well as to accomplish the following:~~

- Adhere to NERC Antitrust Guidelines<sup>4</sup> and Participant Conduct Policy<sup>5</sup>;
- Demonstrate and provide knowledge and expertise in support of RSTC activities;
- Where applicable, solicit comments and opinions from constituents and groups of constituents or trade organizations represented by the member and convey them to the RSTC;

<sup>4</sup> [https://www.nerc.com/pa/Stand/Resources/Documents/NERC\\_Antitrust\\_Compliances\\_Guidelines.pdf](https://www.nerc.com/pa/Stand/Resources/Documents/NERC_Antitrust_Compliances_Guidelines.pdf)

<sup>5</sup> [https://www.nerc.com/gov/Annual%20Reports/NERC\\_Participant\\_Conduct\\_Policy.pdf](https://www.nerc.com/gov/Annual%20Reports/NERC_Participant_Conduct_Policy.pdf)

- Respond promptly to all RSTC requests, including requests for reviews, comments, and votes on issues before the RSTC; and,
- ~~During meetings, C~~omply with the procedures ~~outlined during meetings~~for that meeting and identified in this Charter, ~~and Robert's Rules of Order~~(see [Section 9](#)) ~~during meetings~~.

## **Sponsor Expectations**

Sponsors are expected to act in accordance with this charter, as well as to accomplish the following:

- Understand and advance the expectations of the RSTC, not those of their sector or other interest group;
- Assure that recommendations and action plans are designed for implementation;
- Support the subgroup Chair and Vice-Chair in seeing the big picture without directing the activities of the subgroup; and,
- Liaise with the RSTC.

## **Member Term**

~~Upon the initial establishment of the RSTC, one half of members will serve for two year terms (with terms ending in even years) and the remaining half will serve for three year terms (with terms ending in odd years).~~

~~When the initial terms staggered, two- and three-year terms of RSTC members are complete~~have expired, ~~(2022 and 2023)~~, all subsequent terms will have a standard length of be two years ~~to ensure staggered membership~~.

~~Terms~~An RSTC member may serve a term shorter than two (2) years ~~may be required for several reasons~~if:

- ~~If~~two (2) members are simultaneously selected to a sector that did not have any existing members, in order to stagger their terms, one member will be assigned a one-year term and the second member will be assigned a two-year term.
- ~~If a~~A member is selected to fill a vacant member position~~seats~~ between elections, the term will end when the term for that vacant position~~seats~~ ends.

There are no limits on the number of terms that members can serve.

## **Vacancies and Proxies**

~~Any membership~~Membership vacancies may be filled between annual elections using the aforementioned selection process.

### **1. Vacancies Created bBy the Member**

In the event a member can no longer serve on the RSTC, that member will submit a written resignation to the RSTC chair or the secretary.

### **2. Vacancies Requested by the Chair**

The chair may request any RSTC member who ceases to participate in the RSTC consistent with member expectations (above) and to the satisfaction of the chair, to submit a resignation or to request continuation of membership with an explanation of extenuating circumstances. If a written response is not received within 30 days of the chair's request, the lack of response will be considered a resignation. If the chair is not satisfied with a written response, the RSTC chair will refer the matter to the NERC Board.

### **3. Vacancies Requested bBy the Board**

RSTC members serve at the pleasure of the NERC Board. The NERC Board may initiate a request for resignation, removal, or replacement a member from the RSTC, as it deems appropriate or at the request of the RSTC chair.

**4. Proxies**

A voting member may select a proxy who attends and votes during all or a portion of a committee meeting in lieu of a voting member, provided that the absent voting representatives notifies the RSTC chair, vice chair, or secretary of the proxy. A proxy may not be given to another RSTC member. A proxy must meet the RSTC's membership eligibility requirements, [including affiliate restrictions](#).

To permit time to determine a proxy's eligibility, all proxies must be submitted to the secretary in writing at least one week prior to the meeting (electronic transmittal is acceptable) for approval by the chair. Any proxy submitted after that time will be accepted at the chair's discretion.

## Section 4: Meetings

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~~Open meetings will be conducted in accordance with this Charter. In the absence of specific provisions in this charter, all committee meetings will follow Roberts Rules of Order.~~The Chair may ~~follow~~consult Robert's Rules of Order ~~for open committee meetings.~~ See ~~for~~ additional guidance. ~~Section 9~~ for additional governance procedures used during ~~open meetings of the committee.~~

### Quorum

The quorum necessary for transacting business at meetings of the RSTC is two-thirds of the voting members currently on the RSTC's roster and is determined once at each meeting.

If a quorum is not ~~present at the time of the vote~~determined, the RSTC may not take any actions requiring a vote; however, the chair may, ~~with the consent of the majority of voting members present, elect to~~ allow discussion of the agenda items.

### Voting

Actions by the RSTC will be approved upon receipt of the affirmative vote of two-thirds of the votes ~~present~~cast at any meeting at which a quorum is present. An abstention ("present" vote) does not count as a vote cast.

Voting may take place during regularly scheduled in-person ~~hybrid~~ meetings, ~~with some attendance virtual or may take place,~~ via electronic mail, ~~or~~ via conference call virtual meeting.

Refer to Section 7 for voting procedures.

### Executive, Open Meetings and Closed Sessions

The RSTC holds meetings will be open to the public, except as noted below under Confidential Information herein. Although meetings are open, only voting members may offer and act on motions.

### Confidential Sessions

~~All meetings of the The chair may hold closed sessions with the discretion~~Executive eCommittee and the RSTC NS shall be conducted in closed session.

The chair may also hold closed sessions in advance of the chair, a open meeting or portion of an RSTC meeting may have with limited attendance limited based on the confidentiality of the information to be disclosed at the meeting. Such limitations should be applied sparingly, and on a non-discriminatory basis. Confidential Information will only be disclosed as provided by. Any discussion of confidential information in a closed session shall be consistent with Section 1500 of the NERC ROP.<sup>6</sup>

All meetings of the NS shall be conducted in closed session.

### Majority and Minority Views

All members of a committee will be given the opportunity to provide alternative views on an issue. The results of committee actions, including recorded minutes, will reflect the majority as well as any minority views of the

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<sup>6</sup> Section 1500 of the NERC ROP - [https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20\(With%20Appendices\).pdf](https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20(With%20Appendices).pdf)

committee members. ~~The chair will communicate both the majority and any minority views in presenting results to the NERC Board.~~

## Action without a Meeting

Any action required or permitted at a meeting of the committee may be taken without a meeting at the request of the chair.

Such action without a meeting will be performed by ~~mail or~~ electronic ballot (e.g., telephone, email, or Internet survey) ~~and will be recorded in the minutes as and considered~~ a roll call ballot. The secretary will announce the action required at least five business days before the date on which voting commences. As time permits, members should be allowed a window of ten (10) business days to vote. The secretary will document the results of such an action within ten (10) business days of the close of the voting period. Such action must meet the regular meeting quorum and voting requirements above.

## Section 5: Officers and Executive Committee

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### Officers

The RSTC will have two officers – one chair and one vice-chair.

Officers shall be selected as follows:

- The ~~Nominating Subcommittee~~RSTC NS solicits nominations for chair and vice-chair through an open nomination process. Self-nominations are permitted during the open nomination period.
- ~~The Nominating Subcommittee proposes~~At the close of the nomination period, the RSTC NS will propose a chair and a vice-chair ~~candidate~~candidate. The full RSTC will elect the chair and vice chair.
- The chair and vice chair must be a committee member and shall not be from the same sector ~~and may be an at large member~~.
- The elected chair and vice-chair are ~~approved~~appointed by the NERC Board.
- ~~Unless an exception is approved by the Board, no~~No individual may serve more than one term as vice chair and one term as chair unless an exception is approved by the Board.

### Secretary

NERC will appoint the RSTC secretary.

A member of the NERC staff will serve as the secretary of the RSTC. The secretary will do the following:

- Manage the day-to-day operations and business of the RSTC;
- Prepare and distribute notices of the RSTC meetings, prepare the meeting agenda, and prepare and distribute the minutes of the RSTC meetings;
- Facilitate the election/selection process for RSTC members; and,
- Act as the RSTC's parliamentarian.

### Chair

The chair will direct and provide general supervision of RSTC activities, including the following:

- Coordinate the scheduling of all meetings, including approval of meeting duration and location;
- Develop agendas and rule on any deviation, addition, or deletion from a published agenda;
- Preside at and manage meetings, including the nature and length of discussion, recognition of speakers and proxies, motions, and voting;
- Act as spokesperson for the RSTC at forums inside and outside of NERC; and,
- Attend meetings of the NERC Board when necessary to report on RSTC activities.

### Vice Chair

The vice chair will assume the responsibilities of the chair under the following conditions:

- At the discretion of the chair (for brief periods of time);
- When the chair is absent or temporarily unable to perform the chair's duties; or,

- When the chair is permanently unavailable or unable to perform the chair's duties. In the case of a permanent change, the vice chair will continue to serve until a new chair is nominated and appointed by the NERC Board.

## Executive Committee

The ~~RSTC will select an e~~Executive ~~c~~Committee ~~(RSTC EC)~~ shall consist of six (6) members ~~as follows~~:

- Chair;
- Vice-chair;
- Four (4) RSTC voting members selected by the RSTC chair and vice-chair with a reasonable balance of subject matter expertise in Operations, Planning, and/or Security and with consideration for diversity in representation (i.e., sectors, Regional Entities, Interconnections, etc.).

The ~~RSTC EC~~Executive ~~committee~~ of the RSTC is authorized by the RSTC to act on its behalf between regular meetings on matters where urgent actions are crucial and full RSTC discussions are not practical. The RSTC shall be notified of such urgent Aactions taken by the executive-committeeRSTC EC within a week of such actions. shall be- These actions shall also be included in the minutes of the next open meetings.

Ultimate RSTC responsibility resides with its full membership whose decisions cannot be overturned by the ~~EC~~Executive ~~committee, and which.~~ The RSTC retains the authority to ratify, modify, or annul ~~RSTC EC~~Executive ~~committee~~ actions.

After general solicitation from RSTC membership, the RSTC EC will appoint any sponsors of subgroups.

## Section 6: RSTC Subordinate Groups

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The RSTC organizational structure will be aligned as described by the NERC Bylaws to support a superior-subordinate hierarchy.

The RSTC may establish subcommittees, working groups, and task forces as necessary. The RSTC will be the responsible sponsor of all subordinate subcommittees, working groups, or task forces that it creates, or that its subordinate subcommittees and working groups may establish. ~~The RSTC will keep the NERC Board informed of all groups subordinate to the RSTC.~~

Officers of subordinate groups will be appointed by the chair of the RSTC.

Subcommittees, working groups, and taskforces will conduct business in a manner consistent with all applicable sections of this ~~manual and Robert's Rules of Order~~[Charter](#).

### Subcommittees

The RSTC may establish subcommittees to which the RSTC may delegate some of RSTC's functions. The RSTC will approve the scope of each subcommittee it forms. The RSTC chair will appoint the subcommittee officers (typically a chair and a vice chair) for a specific term (generally two years). The subcommittee officers may be reappointed for up to two additional terms. The subcommittee will work within its assigned scope and be accountable for the responsibilities assigned to it by the committee. The formation of a subcommittee, due to the permanency of the subcommittee, will be approved by the NERC Board.

### Working Groups

The RSTC may delegate specific continuing functions to a working group. The RSTC will approve the scope of each working group that it forms. The RSTC ~~or subcommittee~~[chair](#) will appoint the working group officers (typically a chair and a vice chair) for a specific term (generally two [\(2\)](#) years). The working group officers may be reappointed for one [\(1\)](#) additional term. The RSTC will conduct a "sunset" review of each working group every year. The working group will be accountable for the responsibilities assigned to it by the RSTC or subcommittee and will, at all times, work within its assigned scope. The RSTC should consider promoting to a subcommittee any working group that is required to work longer than one term.

### Task Forces

The RSTC may assign specific work to a task force. The RSTC will approve the scope of each task force it forms. The ~~RSTC chair of the RSTC~~[RSTC](#) chair will appoint the task force officers (typically a chair and a vice chair). Each task force will have a finite duration, normally less than one year. The RSTC will review the task force scope at the end of the expected duration and at each subsequent meeting of the RSTC until the task force is retired. Action of the RSTC is required to continue the task force past its defined duration. The RSTC should consider promoting to a working group any task force that is required to work longer than one year.



## Section 7: Meeting Procedures

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### Voting Procedures for Motions

#### In-Person

- The default procedure is a voice vote.
- If the chair believes the voice vote is not conclusive, the chair may call for a show of hands.
- ~~The chair will not specifically ask those who are abstaining to identify themselves when voting by voice or a show of hands. All voting will be conducted through a poll.~~
- If the chair desires a roll call, the secretary will call each member's name.
- ~~The committee must approve conducting a roll call vote for the motion.~~
- Members answer "yes," "no," or "present" if they wish to abstain from voting. As provided above, an abstention does not count as a vote cast.

#### Conference Call / Virtual

- ~~The committee may conduct a roll call vote in those situations that need a record of each member's vote.~~
- ~~The committee must approve conducting a roll call vote for the motion.~~
- ~~The secretary will call each member's name.~~
- Members answer "yes," or "no," but may answer "present" if they wish to abstain from voting. As provided above, an abstention does not count as a vote cast. All voting shall default to being conducted through use of a poll.
- Where a need to record each member's vote is requested or identified, the RSTC may conduct voting via a roll call vote.

### Minutes

- Meeting minutes are a record of what the committee did, not what its members said.
- Minutes should list discussion points where appropriate, but should usually not attribute comments to individuals. It is acceptable to cite the chair's directions, summaries, and assignments.
- ~~Do not list the person who seconds a motion.~~
- ~~Do not record (or even ask for) abstentions.~~
- ~~All Committee members are afforded the opportunity to provide alternative views on an issue. The meeting minutes will provide an exhibit to record minority positions. The chair shall report both the majority and any minority positions in presenting results to the NERC Board.~~

## Section 8: RSTC Deliverables and Approval Processes

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The RSTC will abide by the following ~~parameters regarding to approve, endorse, or accept approval, endorsement, or acceptance of~~ committee deliverables.

### Reliability Guidelines, Security Guidelines and Technical Reference Documents ~~Reliability Guidelines~~

Reliability Guidelines, ~~and Security Guidelines, and Technical Reference Documents~~ ~~are documents that suggest approaches or behavior in a given technical area for the purpose of improving reliability. Reliability Guidelines and Security Guidelines~~ are not binding norms or mandatory requirements. Reliability Guidelines ~~and Security Guidelines~~ may be adopted by a responsible entity in accordance with its own facts and circumstances.

#### 1. **New/updated draft guideline approved for industry posting.**

The RSTC ~~accepts~~~~approves~~ for posting for industry comment the release of a new or updated draft guideline developed by one of its subgroups or the committee as a whole.

The draft guideline is posted as “for industry-wide comment” for 45 days. If the draft guideline is an update, a redline version against the previous version must also be posted.

After the public comment period, the RSTC will post the comments received as well as its responses to the comments. The RSTC may delegate the preparation of responses to a committee subgroup.

A new or updated guideline which considers the comments received, is approved by the RSTC and posted as “Approved” on the NERC website. Updates must include a revision history and a redline version against the previous version.

After posting a new or updated guideline, the RSTC will continue to accept comments from the industry via a web-based forum where commenters may post their comments.

- a. Each quarter, the RSTC will review the comments received.
- b. At any time, the RSTC may decide to update the guideline based on the comments received or on changes in the industry that necessitate an update.
- c. Updating an existing guideline will require that a draft updated guideline be approved by the RSTC in the above steps.

#### 2. **Review of Approved Reliability Guidelines, Security Guidelines and Technical Reference Documents**

Approved Reliability Guidelines or Technical Reference Document shall be reviewed for continued applicability by the RSTC at a minimum of every third year since the last revision.

#### 3. **Communication of New/Revised Reliability Guidelines, Security Guidelines and Technical Reference Documents**

In an effort to ensure that industry remains informed of revisions to a Reliability Guideline or Technical Reference Document or the creation of a new Reliability Guideline or Technical Reference Document, the RSTC subcommittee responsible for the Reliability Guideline will follow an agreed upon process.

#### 4. **Coordination with Standards Committee**

Standards Committee authorization is required for a Reliability Guideline ~~or Security Guidelines~~ to become a supporting document that is posted with or referenced from a NERC Reliability Standard. See Appendix 3A in the NERC’s ROP under “Supporting Document.”

## Section 1600 Data or Information Requests<sup>7</sup>

A report requested by the RSTC that accompanies or recommends a Rules of Procedure (ROP) Section 1600 - Data or Information Request will follow the process outlined below:

1. This Section 1600 request, with draft supporting documentation, will be provided to the RSTC at a regular meeting.
2. The draft Section 1600 data request and supporting documentation will be considered for authorization to post for comments at the RSTC regular meeting.
3. A committee subgroup will review and develop responses to comments on the draft Section 1600 data request and will provide a final draft report, including all required documentation for the final data request, to the RSTC at a regular meeting for endorsement.
4. The final draft of the 1600 data request – with responses to all comments and any modifications made to the request based on these comments – will be provided to the NERC Board.

## Other Types of Deliverables

### 1. Policy Outreach

On an ongoing basis, the RSTC will coordinate with the forums, policymakers, and other entities to encourage those organizations to share reliability guidelines, [technical](#) reference documents and lessons learned to benefit the industry.

Reports required under the NERC ROP or as directed by an Applicable Governmental Authority or the NERC Board: documents include NERC's long-term reliability assessment, special assessments, and probabilistic assessments. These reports may also be used as the technical basis for standards actions and can be part of informational filings to FERC or other government agencies.

### 2. White Papers

Documents that explore technical facets of topics, often making recommendations for further action. They may be written by subcommittees, working groups, or task forces of their own volition, or at the request of the RSTC.

### 3. [Technical](#) Reference Documents and Technical Reports

Documents that serve as a reference for the electric utility industry and/or NERC stakeholders regarding a specific topic of interest. These deliverables are intended to document industry practices or technical concepts at the time of publication and may be updated as deemed necessary, per a recommendation by the RSTC or its subgroups to reflect current industry practices.

### 4. Implementation Guidance

Documents providing examples or approaches for registered entities to comply with standard requirements. The RSTC is designated by the ERO Enterprise as a pre-qualified organization for vetting Implementation Guidance in accordance with NERC Board -approved Compliance Guidance Policy. Implementation Guidance that is endorsed by the RSTC can be submitted to the ERO Enterprise for endorsement, allowing for its use in Compliance Monitoring and Enforcement Program (CMEP) activities.

### 5. [Standard Authorization Requests \(SAR\)](#)

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<sup>7</sup> Section 1600 of the NERC ROP - [https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20\(With%20Appendicies\).pdf](https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20(With%20Appendicies).pdf)

[A form used to document the scope and reliability benefit of a proposed project for one or more new or modified Reliability Standards or definitions or the benefit of retiring one or more approved Reliability Standards. RSTC endorsement of a SAR supports: \(a\) initial vetting of the technical material prior to the formal Standards Development Process, and, \(b\) that sound technical justification material has been developed, and the SAR will not be remanded back to the RSTC to provide such justification per the Standard Processes Manual.](#)

## Review Process for other Deliverables

Deliverables with a deadline established by NERC management or the NERC Board will be developed based on a timeline reviewed by the RSTC to allow for an adequate review period, without compromising the desired report release dates. Due to the need for flexibility in the review and approval process, timelines are provided as guidelines to be followed by the committee and its subgroups.

A default review period of no less than 10 business days will be provided for all committee deliverables. Requests for exceptions may be brought to the RSTC at its regular meetings or to the [RSTC ECExecutive Committee](#) if the exception cannot wait for an RSTC meeting.

In all cases, a final report may be considered for approval, endorsement, or acceptance if the RSTC, as outlined above, decides to act sooner.

## Possible Actions for ~~other~~ Deliverables

### 1. Approve:

The RSTC has reviewed the deliverable and supports the content and development process, including any recommendations.

### 2. Accept:

The RSTC has reviewed the deliverable and supports the development process used to complete the deliverable.

### 3. Remand:

The RSTC remands the deliverable to the originating subcommittee, refer it to another group, or direct other action by the RSTC or one of its subcommittees or groups.

### 4. Endorse:

The RSTC agrees with the content of the document or action, and recommends the deliverable for the approving authority to act on. This includes deliverables that are provided to the RSTC by other NERC committees. RSTC endorsements will be made with recognition that the deliverable is subject to further modifications by NERC Executive Management and/or the NERC Board. Changes made to the deliverable subsequent to RSTC endorsement will be presented to the RSTC in a timely manner. If the RSTC does not agree with the deliverable or its recommendations, it may decline endorsement. It is recognized that this does not prevent an approval authority from further action.

## Section 9: Meeting Governance

The RSTC will abide by the following procedures regarding taking actions on committee deliverables:

### Motions

Unless noted otherwise, all procedures require a "second" to enable discussion.

When you want to...	Procedure	Debatable	Comments
Raise an issue for discussion	Move	Yes	The main action that begins a debate.
Revise a Motion currently under discussion	Amend	Yes	Takes precedence over discussion of main motion. Motions to amend an amendment are allowed, but not any further. The amendment must be germane to the main motion, and cannot reverse the intent of the main motion.
Reconsider a Motion already approved	Reconsider	Yes	Allowed only by member who voted on the prevailing side of the original motion.
End debate	Call for the Question or End Debate	No	If the Chair senses that the committee is ready to vote, he may say "if there are no objections, we will now vote on the Motion." The vote is subject to a 2/3 majority approval. Also, any member may call the question. This motion is not debatable. The vote is subject to a 2/3 vote.
Record each member's vote on a Motion	Request a Roll Call Vote	No	Takes precedence over main motion. No debate allowed, but the members must approve by 2/3 majority.
Postpone discussion until later in the meeting	Lay on the Table	Yes	Takes precedence over main motion. Used only to postpone discussion until later in the meeting.
Postpone discussion until a future date	Postpone until	Yes	Takes precedence over main motion. Debatable only regarding the date (and time) at which to bring the Motion back for further discussion.
Remove the motion for any further consideration	Postpone indefinitely	Yes	Takes precedence over main motion. Debate can extend to the discussion of the main motion. If approved, it effectively "kills" the motion. Useful for disposing of a badly chosen motion that can not be adopted or rejected without undesirable consequences.
Request a review of procedure	Point of order	No	Second not required. The Chair or secretary shall review the parliamentary procedure used during the discussion of the Motion.

## Notes on Motions

### Seconds

A Motion must have a second to ensure that at least two members wish to discuss the issue.

### Announcement by the Chair:

The Chair should announce the Motion before debate begins. This ensures that the wording is understood by the membership. Once the Motion is announced and seconded, the Committee “owns” the motion, and must deal with it according to procedure in this Charter.

## **Standards Committee Proposed Charter Amendments**

### **Action**

Approve

### **Background**

At its September 23, 2021 meeting, the Standards Committee (SC) endorsed revisions to the SC Charter last approved by the Board of Trustees (Board) on May 9, 2019. The revised SC Charter includes new provisions for the following:

- Actions for the loss of a committee member in absence of formal resignation
- Chair and Vice Chair Standing Committees Coordination Group (SCCG) participation
- New Committee member training
- SC Executive Committee vacancy election process
- Processes for establishing subcommittees, working groups, and task forces, consistent with similar provisions in the Reliability and Security Technical Committee (RSTC) Charter

NERC Staff supports the proposed changes.

### **Attachments**

- Standards Committee Charter – Redline Copy

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

Agenda Item XX  
Board of Trustees  
November XX, 2021

# Standards Committee Charter

Approved by the Board of Trustees

TBD

Approved by the Standards Committee

September March 1820, 202119

**RELIABILITY | ACCOUNTABILITY**



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# Table of Contents

---

Section 1: Purpose .....	1
Section 2. Reporting.....	2
Section 3. Overview and Functions.....	3
Section 4. Membership.....	4
Segment Representation.....	4
1. Membership Requirements.....	4
2. Resignation from the Committee .....	4
3. Committee Member Change <u>of</u> Employment.....	4
4. Membership Terms.....	4
5. Vacancies Caused by Election of Officers .....	5
6. NERC Director of Standards <u>or Designee</u> .....	5
Section 5. Officers.....	6
1. Selection .....	6
2. Terms .....	6
3. Voting.....	6
4. Duties of the Chair .....	6
5. Duties of the Vice Chair .....	6
6. Duties of the Secretary.....	7
Section 6. Voting Members’ Expectations and Responsibilities .....	8
<del>1. Committee voting members:</del> .....	<del>8</del>
Section 7. Executive Committee <u>and Subcommittees</u> .....	9
<del>1. Executive Committee .....</del>	<del>9</del>
<del>2. Additional Subcommittees, Task Forces, and ad hoc Working Groups</del> .....	<del>9</del>
<u>Section 8. Subordinate Groups .....</u>	<u>10</u>
<u>1. Subcommittees .....</u>	<u>10</u>
<u>2. Working Groups .....</u>	<u>10</u>
<u>3. Task Forces .....</u>	<u>10</u>
Section <del>9</del> <u>8</u> . Meetings.....	<del>10</del> <u>11</u>
1. Open Meetings.....	<u>11</u>
2. General Requirements.....	<u>11</u>
3. Notice.....	<u>11</u>
4. Agenda.....	<u>11</u>
5. Parliamentary Procedures.....	<u>11</u>
6. Quorum .....	<u>11</u>

Table of Contents

---

7. Voting..... [111](#)

8. Actions without a Meeting..... [111](#)

9. Proxies..... [122](#)

## Section 1: Purpose

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The Standards Committee (the Committee) of the North American Electric Reliability Corporation (NERC), working with NERC Standards Staff, manages and executes the Reliability Standards development process to timely develop and maintain a comprehensive set of results-based Reliability Standards.

## Section 2. Reporting

---

The Committee reports and is accountable to the NERC Board of Trustees. The Committee members have the responsibility to keep the industry segments they represent informed regarding Reliability Standards matters. The NERC Board of Trustees shall approve amendments to this Charter pursuant to Section 1300 of the NERC Rules of Procedure.

## Section 3. Overview and Functions

---

The Committee manages the NERC process to develop and maintain a comprehensive set of results-based Reliability Standards. Specifically, working together with NERC Standards Staff, the Committee has the following duties:

1. Develop a long-term (multi-year) strategic vision describing the goals and direction for Reliability Standards development consistent with NERC's strategic and business plans.
2. Coordinate with the Reliability Issues Steering Committee ([RISC](#)) to develop a Reliability Standards Development Plan (RSDP) prioritizing and aggressively pursuing work related to the purpose of the Committee.
3. Assist ~~to~~with developing the RSDP, including ~~the~~ [preparing](#) the initial posting for stakeholder comment.
4. Establish and facilitate informal and formal collaborative, consensus building processes with stakeholder groups and NERC committees.
5. Establish quality assurance and quality control processes ~~to~~for developing or modifying Reliability Standards and applicable associated documents to align with the criteria established in the Standards Process Manual.
6. Appoint, monitor and direct teams for work related to the Standards Process Manual (including ~~the~~ [preparing](#), but not limited to, standard drafting teams) generally consisting of subject matter experts, a facilitator, a technical writer and compliance, legal and regulatory experts suitably equipped to address the desired reliability objectives.
7. Receive and respond to decisions of appeals panels in accordance with the Reliability Standards process.
8. Develop, maintain and implement a Standard Processes Manual ensuring the integrity of Reliability Standards development in a fair, balanced, open, and inclusive manner.
9. Facilitate communication ~~with regard to~~ [about](#) ~~regular~~ NERC Standards department and Standards Committee work, such as Reliability Standards under development and Standards Committee guiding documents.

## Section 4. Membership

---

### Segment Representation

The Committee membership consists of two members elected from each industry segment in accordance with Appendix 3B (*Procedures for Election of Members of the Standards Committee*) to the NERC Rules of Procedure. Each industry segment may establish its own rules for electing and replacing its SC representatives consistent with the following requirements:

#### 1. Membership Requirements

No two persons employed by the same corporation or organization or an affiliate may serve concurrently as Committee members.

- a. Any Committee member with such a membership conflict shall notify the Committee secretary who will inform the Committee chair.
- b. Members impacted by a conflict, such as through a merger of organizations, may confer between themselves to determine which member should resign from the Committee and notify the Committee secretary and chair. If the impacted members do not resolve the conflict in a timely manner, the Committee chair shall notify all members of the affected industry segments of the need to resolve the conflict. If the membership conflict remains unresolved, the Committee chair shall take the conflict to the NERC Board of Trustees for resolution.
- c. Any Committee member aware of an unresolved membership issue shall notify the Committee chair.

#### 2. Resignation from the Committee

Any member of the Committee who resigns from the Committee shall submit a written resignation to the Committee secretary and Committee chair.

- a. The Committee secretary shall facilitate election of a replacement member from the applicable industry segment to serve the remainder of the resigned member's term.
- b. If any member of the Committee fails to attend or send a proxy for more than two consecutive regularly scheduled meetings or conference calls, or more than two e-mail ballots between regularly scheduled meetings, the Committee chair shall send a written notice to that member requesting the member either: (i) resign; or (ii) provide an explanation of the member's absences. If the member does not provide a written response within 30 calendar days of the date of the written notice, lack of response shall be deemed a resignation.

#### 3. Committee Member Change of Employment

- a. Any Committee member who leaves one organization and is subsequently employed by another organization in the same industry segment may retain the membership position.
- b. If a Committee member changes employment to an organization in a different industry segment, that Committee member shall resign from the Committee no later than the date of the employment change. The resignation letter shall be addressed to the Committee chair who will provide the letter to the Committee secretary and request an election to fill the vacant position. [In the absence of a formal resignation, the Committee member will be deemed to have resigned as of the date the Committee chair or secretary becomes aware of the employment change.](#)

#### 4. Membership Terms

Committee members shall serve a term of two years without limitation to the number of terms the members may serve, with members' terms staggered so half of the members (one per segment) is elected each year by industry segment election. Membership terms start on January 1 of each year.

**5. Vacancies Caused by Election of Officers**

The vacancies in the industry segments and/or Canada representation created by selection of the chair and vice chair shall be filled at the next annual election of Committee representatives. When a representative is elected to serve as the chair or vice chair during the second year of a two year term, the representative elected to fill the vacancy shall serve a one year term.

**6. NERC Director of Standards or Designee**

Acts as a non-voting Committee member to represent NERC's position on agenda items with the assistance of NERC Standards Staff.

## Section 5. Officers

---

### 1. Selection

Prior to the annual election of Committee representatives in odd numbered years, the Committee members shall select a chair and vice chair from among their membership by majority vote. The chair and vice chair cannot represent the same industry segment. Approximately 150 calendar days prior to the end of each term, a nominating committee shall solicit nominations for chair and vice chair. The nominating committee shall consult with the NERC Board of Trustees' SC liaison on the nominations received.

No less than ten calendar days before the election date, the nominating committee shall provide to the Committee members the qualifications of the chair and vice chair nominees. At the time of the election, the Committee can accept nominations from the floor. Following the election, the successful candidates shall be presented to the NERC Board of Trustees for approval. The chair and vice chair, upon assuming such positions, shall cease to act as representatives of the industry segments that elected them and thereafter be responsible for acting in the best interests of the Committee as a whole.

### 2. Terms

The term of office for the Committee chair and vice chair is two years without limit on the number of terms an officer may serve. A member of NERC staff serves as the Committee's non-voting secretary.

### 3. Voting

The Committee chair and vice chair are non-voting Committee members.

### 4. Duties of the Chair

In addition to the duties, rights and privileges discussed elsewhere in this document, the Committee chair:

- a. Presides over and provides general supervision of Committee and Executive Committee activities and meetings.
- b. Presides over all Committee meetings, including the nature and length of discussion, recognition of speakers, motions and voting.
- c. In concert with NERC Staff, schedules Committee meetings.
- d. Reviews all substitute or proxy representatives.
- e. Acts as Committee spokesperson at forums within and outside of NERC.
- f. Reports Committee activities to the NERC Board of Trustees and attends Board of Trustees meetings.
- g. Reports all views and objections when reporting on items brought to the Committee.

h. Performs other duties as directed by the NERC Board of Trustees.

h.i. [Participates as a member of the Standing Committees Coordinating Group \(SCCG\).](#)

### 5. Duties of the Vice Chair

The Committee vice chair acts as the Committee chair if requested by the chair (for brief periods of time) or if the chair is absent or unable to perform the chair's duties. If the chair resigns prior to the next scheduled election, the vice chair shall act as the chair until the Committee selects a new chair. The vice chair:

- a. Assists the Committee chair in managing Committee meetings, including the nature and length of discussion, recognition of speakers, motions, and voting.

b. Attends meetings of the NERC Board of Trustees in the chair's absence.

c. [Participates as a member of the SCCG.](#)



## 6. Duties of the Secretary

A member of NERC staff shall serve under the direction of the Committee officers as a non-voting secretary and has the responsibility to:

- a. Conduct the day-to-day operation and business of the Committee.
- b. Prepare, distribute and post notices of Committee meetings, record meeting proceedings, and prepare, distribute and post meeting minutes.
- c. Maintain a record of all Committee proceedings, including attendance, responses, voting records, and correspondence.
- d. Maintain Committee membership records.
- e. [—Offer newly elected Committee members onboarding training, in partnership with the Committee Chair and Vice Chair.](#)

## Section 6. Voting Members' Expectations and Responsibilities

---

### ~~1. Committee voting members:~~

- a. Contribute to the Committee's work and success by, among other things, executing the Committee Strategic Work Plan.
- b. Serve as subject matter expert representatives of their industry segments and represent their industry segments.
- c. Be knowledgeable ~~of/about~~ NERC Reliability Standards development activities.
- d. Express opinions on behalf of their segments.
- e. Respond promptly to all Committee requests for attendance, reviews, comments and voting.
- f. Assist ~~with outreach in educating the industry~~ on the Reliability Standards development process.
- g. When unable to attend a Committee meeting, notify the secretary and identify a proxy as described under Section ~~98~~. Meetings, sub section 9. Proxies, *infra*. The member shall instruct the proxy on the role and responsibilities.
- h. *Duty of Care:* Use due care and are diligent with respect to managing and administering the affairs of NERC and the Committee. This duty of care is generally thought to have two components: (i) the time and attention devoted to NERC's mission, and (ii) the skill and judgment reflected in the Committee's decisions.
- i. *Duty of Loyalty:* The duty of loyalty requires the members to faithfully promote the mission of NERC and the Committee, rather than their own or their entities' interests. This duty includes compliance with NERC's policies on conflicts of interest.
- j. *Duty to Adhere to High Ethical Standards:* The duty to adhere to applicable law and high ethical standards requires Committee members to devote themselves to ensuring they further NERC's stated objectives in compliance with legal requirements and high ethical standard

## Section 7. Executive Committee ~~and Subcommittees~~

---

### ~~1. Executive Committee~~

The Committee shall have an Executive Committee (SCEC) consisting of five members, including the Committee officers plus three segment members, elected by the Committee. The three segment members cannot represent the same industry segments the Committee officers previously represented, nor can any two of the segment members be from the same segment. The Executive Committee will be elected annually at the January Committee meeting. In the event of an SCEC vacancy before conclusion of the term, an election will be announced at the next regularly scheduled Committee meeting to be conducted at the following Committee meeting. The Executive Committee shall meet when necessary between regularly-scheduled Committee meetings to conduct Committee business. However, the SCEC shall not reverse the Committee's decisions. Additionally, the Executive Committee shall have the authority to:

- a. Work with NERC Standards Staff to set agendas for Committee meetings.
- b. Act on the Committee's behalf to authorize postings of SARs, Reliability Standards, and other Standards-related documents.
- c. Provide advice and guidance to subcommittee chairs, as needed.
- d. Take any actions delegated by the full Committee.

### ~~2. Additional Subcommittees, Task Forces, and ad hoc Working Groups~~

~~The Committee may form subcommittees, task forces and ad hoc working groups, as it deems appropriate.~~

## **Section 8. Subordinate Groups**

---

The SC organizational structure will be aligned as described by the NERC Bylaws to support a superior-subordinate hierarchy.

The SC may establish subcommittees, working groups, and task forces as necessary. The SC will be the responsible sponsor of all subordinate subcommittees, working groups, or task forces that it creates, or that its subordinate subcommittees and working groups may establish.

Officers of subordinate groups will be appointed by the chair of the SC.

Subcommittees, working groups, and taskforces will conduct business in a manner consistent with all applicable sections of this Charter.

### **1. Subcommittees**

The SC may establish subcommittees to which the SC may delegate some of SC's functions. The SC will approve the scope of each subcommittee it forms. The SC chair will appoint the subcommittee officers (typically a chair and a vice chair) for a specific term (generally two years). The subcommittee officers may be reappointed for an indefinite number of additional terms. The subcommittee will work within its assigned scope and be accountable for the responsibilities assigned to it by the committee. The formation of a subcommittee, due to the permanency of the subcommittee, will be approved by the NERC Board.

### **2. Working Groups**

The SC may delegate specific continuing functions to a working group. The SC will approve the scope of each working group that it forms. The SC chair will appoint the working group officers (typically a chair and a vice chair) for a specific term (generally two years). The SC will conduct a "sunset" review of each working group every year. The working group will be accountable for the responsibilities assigned to it by the SC or subcommittee and will, at all times, work within its assigned scope. The SC should consider promoting to a subcommittee any working group that is required to work longer than one term.

### **3. Task Forces**

The SC may assign specific work to a task force. The SC will approve the scope of each task force it forms. The SC chair will appoint the task force officers (typically a chair and a vice chair). Each task force will have a finite duration, normally less than one year. The SC will review the task force scope at the end of the expected duration and at each subsequent meeting of the SC until the task force is retired. Action of the SC is required to continue the task force past its defined duration. The SC should consider promoting to a working group any task force that is required to work longer than one year.

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## Section 89. Meetings

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### 1. Open Meetings

Committee meetings shall be open to all interested parties, subject to any preregistration meeting requirements included in the meeting announcement. Meeting notices shall describe the meeting's purpose and identify a readily available source for further information about the meeting. Only voting members may act on items before the Committee. The Committee secretary shall post meeting notices and agendas on the NERC website contemporaneously with distribution to Committee members. The Committee secretary shall publicly post final minutes of Committee meetings on the NERC website within five business days of Committee approval.

### 2. General Requirements

The Committee shall hold meetings as needed and may use conference calls or e-mail to conduct its business.

### 3. Notice

The Committee secretary shall announce regularly scheduled meetings with a written notice (letter, facsimile, or e-mail) to all Committee members not less than ten nor more than sixty calendar days prior to the meeting date.

### 4. Agenda

The secretary shall provide an agenda with a written notice (letter, facsimile, or e-mail) for Committee meetings no less than five business days before a proposed meeting.

- a. The agenda shall include, as necessary, background material for agenda items requiring a decision or vote. The secretary shall post the agenda on the NERC website the same day it is distributed to Committee members.
- b. Items not in the agenda that require a vote cannot be added at a meeting without the unanimous consent of the members present. If such a matter arises, it may also be deferred to the next meeting to allow Committee members to consult with their industry segments.

### 5. Parliamentary Procedures

In the absence of specific provisions in this Charter, the Committee shall conduct its meetings guided by the most recent edition of *Robert's Rules of Order, Newly Revised*.

### 6. Quorum

A quorum requires two-thirds of the Committee voting members.

### 7. Voting

Voting may take place during regularly scheduled meetings or through electronic means.

- c. All Committee actions shall be approved upon receipt of the affirmative vote of a majority of the members present and voting at a meeting with a quorum present, with the exception of revisions to the Standard Processes Manual and the Committee Charter which can be approved only upon receipt of the affirmative vote of two-thirds of the members present and voting at a meeting with a quorum present.
- d. Each individual member's vote for each action taken shall be included in the minutes of each meeting, unless the vote is unanimous with no abstentions.

### 8. Actions without a Meeting

The Committee may act by mail or e-mail ballot without a regularly scheduled meeting. A majority of the members participating in the voting is required to approve any action. A quorum for actions without a meeting is two-thirds of Committee members. The Committee chair or four members (each from a different

industry segment) may initiate the request for an action without a meeting. The secretary shall post a notice on the NERC website and provide Committee members a written notice (letter, facsimile, or e-mail) of the subject matter for action not less than three business days prior to the date on which the vote is to be counted. The secretary shall both distribute a written notice to the Committee (letter, facsimile, or e-mail) of the results of such action within five business days following the vote and post the results on the NERC website. The secretary shall keep a record of all responses (e-mails, facsimiles, etc.) from the Committee members with the Committee minutes.

## **9. Proxies**

A Committee member may designate a proxy. Proxies may attend and vote at Committee meetings provided the absent Committee member notifies in writing (letter, facsimile, or e-mail) the Committee chair, vice chair or secretary along with the reason(s) for the proxy. The member shall name the proxy representative and affiliation in the correspondence. No Committee member can serve as a proxy for another Committee member. The proxy must adhere to the Voting Members' Expectations and Responsibilities as described in Section 6, above.

## **Standards Committee Leadership**

### **Action**

Approve

### **Background**

The Board of Trustees is requested to appoint the following individuals to the leadership of the Standards Committee, each for a two-year term ending December 31, 2023:

- Amy Casuscelli of Xcel Energy, to serve as chair; and
- Todd Bennett from Associate Electric Cooperative, Inc. to serve as vice chair.

## **Personnel Certification Governance Committee Membership**

### **Action**

Approve

### **Background**

The Personnel Certification Governance Committee (PCGC) presents to the Board of Trustees the following membership updates for their approval.

### **Summary**

Membership changes:

- New member approval – Dan Morse, Gainesville Regional Utility
  - Filling the opening that was created in the PCGC membership when Keith Carmen withdrew from the Committee in August 2021.
- New member approval – Mari Kiresich, Southern California Edison
  - Filling the opening in the PCGC membership when Don Urban leaves the Committee effective December 2021.



## **2022-2024 Reliability Standards Development Plan**

### **Action**

Approve the 2022-2024 Reliability Standards Development Plan (RSDP) and authorize NERC staff to file with the applicable regulatory authorities.

### **Background**

Pursuant to section 310 of the NERC Rules of Procedure, NERC is required to develop and provide an annual RSDP to the applicable governmental authorities. The 2022-2024 RSDP includes time frames and anticipated resources for each project under development or anticipated to begin by the end of the year.

A draft RSDP was posted for a public comment period from July 30, 2021 through August 30, 2021. The Standards Committee endorsed the RSDP at its September 23, 2021 meeting. In the event a Standard Authorization Request or FERC directive is received prior to submitting the RSDP to the applicable governmental authorities, the document will be updated appropriately. NERC and the Standards Committee will continue to work with NERC committees and task forces to bridge any potential reliability gaps and risks.

### **Additional Information**

A link to the proposed RSDP is included for reference: [2022-2024 RSDP](#)

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Reliability Standards Development Plan

2022-2024

November 4, 2021

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# Table of Contents

---

Background .....	iii
Executive Summary .....	iv
Progress Report.....	1
FERC Directives.....	1
Continuing Projects .....	1
2022 Projects.....	3
High Priority .....	3
Medium Priority.....	3
Low Priority.....	3
Other Projects Continuing into 2022.....	5
Standards Grading Metrics.....	6
Attachment 1: Final Grades for Standards Considered in 2020 .....	7
Attachment 2: Final Grades for Standards Considered in 2021 .....	9

## Background

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As described herein, this Reliability Standards Development Plan (RSDP) builds upon the goals of the previous RSDPs. Pursuant to Section 310 of the NERC Rules of Procedure, NERC is required to develop and provide to applicable governmental authorities an annual RSDP for Reliability Standards development. Each annual RSDP must include a progress report comparing results achieved to the prior year's RSDP. NERC is required to consider the comments and priorities of the applicable governmental authorities in developing and updating the annual RSDP. NERC also provides the RSDP to the NERC Standards Committee (SC) for review and posts the RSDP for industry comment.

## Executive Summary

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This 2022-2024 RSDP provides insight into standards development activities anticipated at the time of publication, so that stakeholders may make available resources needed to accomplish the standards development objectives. Additional activities such as Requests for Interpretation and Regional Variance development may impact the plan, but are not included at this time. In order to help the industry understand resource requirements for each project, the RSDP now shows time frames and anticipated resources for each project under development.

This RSDP contemplates that the work of the Reliability and Security Technical Committee (RSTC) and working groups thereunder may result in more Standard Authorization Requests (SARs) and subsequent standards projects. It also important to note that projects may be generated through the use of the ERO risk framework.

Periodic Reviews and initiatives, such as the final recommendations of the Standards Efficiency Review (SER) project, also enable NERC to identify requirements that do little to promote reliability, and should therefore be retired. Periodic Reviews will occur at a measured pace compared to the level of activity and pace of standards development during recent years. Additionally, Periodic Reviews will be aligned with the strategic consideration of reviewing standard families that are interrelated.<sup>1</sup> The Standards Grading efforts for 2020 and 2021 have been completed and results are included.

While most of the work in the next three years will focus on new SARs, Periodic Reviews, SER implementation, and Standards Grading, there may be new or emerging risks identified that could generate new standards development projects. NERC will continue to seek input and recommendations from the Reliability Issues Steering Committee (RISC) with regard to emerging or potential risks to Bulk Electric System (BES) reliability that may require revisions to existing standards or new standards development.

To help determine the impact of potential risk to BES reliability, NERC will use a variety of feedback mechanisms, including but not limited to, the Compliance Monitoring and Enforcement Program, RISC profiles, Events Analysis, and Compliance violation statistics, as well as any published “Lessons Learned.” The Regional Entities also have feedback mechanisms in place to solicit comments from industry and to help identify approaches to meet concerns and provide input to the standards. Input into standards will also continue to be coordinated with the North American Energy Standards Board as appropriate. In assessing feedback to create new or revised standards, NERC will focus on risk, reliability or security data, and enforcement information to determine whether a standard revision is the best tool to initially address the reliability risk.

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<sup>1</sup> The Periodic Review standing review team grades the standards prior to conducting Periodic Reviews. The team includes representatives from NERC, the Regional Entities, and RSTC. If the standard is revised through the standard development process in response to a Periodic Review recommendation(s), the Periodic Review standing review team will re-grade the standard with the revised language.

# Progress Report

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Pursuant to Section 310 of the NERC Rules of Procedure, NERC offers the following progress report on Reliability Standards development.

## FERC Directives

As of June 30, 2021, there are two<sup>2</sup> outstanding directives being resolved through the standards development process. The status of the Standards directives are reported quarterly to the NERC Board of Trustees (Board).

## Continuing Projects

All of the other projects from the previous RSDP are complete or expected to be complete this year, except the following, which will continue into 2022:

- Project 2016-02 [Modifications to CIP Standards](#)
- Project 2017-01 [Modifications to BAL-003-1.1](#) (phase 2)
- Project 2019-04 [Modifications to PRC-005-6](#)
- Project 2020-02 [Transmission-connected Dynamic Reactive Resources](#)
- Project 2020-03 [Supply Chain Low Impact Revisions](#)
- Project 2020-04 [Modifications to CIP-012](#)
- Project 2020-05 [Modifications to FAC-001-3 and FAC-002-2](#)
- Project 2020-06 [Verifications of Models and Data for Generators](#)
- Project 2021-01 [Modifications to MOD-025 and PRC-019](#)
- Project 2021-02 [Modifications to VAR-002](#)
- Project 2021-03 [CIP-002 Transmission Owner Control Centers](#)
- Project 2021-04 [Modifications to PRC-002-2](#)
- Project 2021-05 [Modifications to PRC-023](#)
- Project 2021-06 [Modifications to IRO-010 and TOP-003](#)

Additional project information is available on the NERC website on the Standards web page.<sup>3</sup> Also, the SER completed an initial assessment of the entire body of standards in 2018 prior to initiating the Standards development process to consider any changes to the body of Reliability Standards in 2019. The first phase of Standards retirements for SER is complete, and any future development will continue into 2022.

**The following projects have been or are planned to be completed in 2021** (actual and anticipated Board adoption dates are noted):

- Project 2015-09 [Establish and Communicate System Operating Limit](#) (adopted by the Board in May 2021)
- Project 2019-02 [BES Cyber System Information Access Management](#) (projected to be adopted by the Board in August 2021)

---

<sup>2</sup> The following projects are currently modifying standards to address directives: 2020-04 Modifications to CIP-012 (requirement for protections regarding the availability of communication links and data communicated between bulk electric system Control Centers). The second directive is a requirement to submit project schedules for two ongoing CIP projects.

<sup>3</sup> As of the date of publication, the subject web page resides at <http://www.nerc.com/pa/Stand/Pages/default.aspx>.

- Project 2019-06 [Cold Weather](#) (adopted by the Board in June 2021)

# 2022 Projects

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## Projects Continuing into 2022

In determining high, medium, or low priority designations for projects as listed in this RSDP, the following factors were taken into consideration:

- Outstanding regulatory directives with filing deadlines (High Priority)
- RISC category rankings of high impact with consideration of probability of occurrence (High or Medium Priority)
- Potential reliability risks from stakeholders provided through feedback mechanisms (High, Medium, or Low Priority, based on the risk)
- Outstanding regulatory directives without regulatory deadlines or “soft directives” such as considerations (High or Medium Priority)
- Outstanding requirements that are known candidates for retirement (Medium or Low Priority)
- Any known adverse content and quality assessments (likely Low Priority, as any reliability gaps identified have already been addressed)

### High Priority

- Project 2020-04 [Modifications to CIP-012](#) (drafting estimated to be completed by November 2021 requiring approximately 8 industry subject matter experts for approximately 100 work hours each for the remaining part of this project)
- Project 2020-03 [Supply Chain Low Impact Revisions](#) (drafting estimated to be completed by May 2022 requiring approximately 10 industry subject matter experts for approximately 120 work hours each for the remaining part of this project)
- Project 2021-03 [CIP-002 Transmission Owner Control Centers](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2016-02 [Modifications to CIP Standards](#) (drafting estimated to be completed by February 2022 requiring approximately 9 industry subject matter experts for approximately 120 work hours each for the remaining part of this project)

### Medium Priority

- Project 2017-01 [Modifications to BAL-003-1.1](#) (phase 2) (drafting estimated to be completed by February 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)

### Low Priority

- Project 2019-04 [Modifications to PRC-005-6](#) (drafting estimated to be completed by December 2022 requiring approximately eight subject matter experts for approximately 40 work hours each for this project)
- Project 2020-02 [Transmission-connected Dynamic Reactive Resources](#) (drafting estimated to be completed by December 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2020-05 [Modifications to FAC-001-3 and FAC-002-2](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 60 work hours each for this project)



- Project 2020-06 [Verifications of Models and Data for Generators](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2021-01 [Modifications to MOD-025 and PRC-019](#) (drafting estimated to be completed by May 2023 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2021-02 [Modifications to VAR-002](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2021-04 [Modifications to PRC-002-2](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2021-05 [Modifications to PRC-023](#) (drafting estimated to be completed by May 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)
- Project 2021-06 [Modifications to IRO-010 and TOP-003](#) (drafting estimated to be completed by November 2022 requiring approximately 10 subject matter experts for approximately 40 work hours each for this project)

## Other Projects Continuing into 2022

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### NERC Reliability Standards Efficiency Review Transition

In 2018, NERC began using both internal ERO Enterprise resources and industry resources to evaluate candidates for potential Reliability Standard retirements. NERC solicited industry participants to evaluate possible candidate requirements that may no longer be necessary to support reliability or address current risks to the BPS. Through open and transparent industry participation, the SER teams submitted a SAR to the SC in order to implement recommended changes to the body of Reliability Standards. The SAR was accepted at the August 2018 SC meeting, and the effort retired numerous standards and requirements in 2019. The [Standards Efficiency Review Report and Transition Plan](#) outlines the Phase 1 and Phase 2 work and the additional recommendations.

As a part of the SER, the CIP SER working team evaluated the set of CIP Standards and identified a list of three recommended retirements and six modifications. The team determined that there was not sufficient justification for retiring requirements that outweighed the reliability and security benefits of the requirements, particularly in light of past FERC directives and the evolving nature of cyber security. Therefore, the working team decided to change their focus and be more strategic. The overall recommendation from the CIP SER working team is for industry to create an initiative to align the CIP Standards with the results-based framework.<sup>4</sup> The timing, scope, and participants of a CIP standards alignment initiative will be determined at a later date. The alignment initiative will consider observations made by the Standards Committee Process Subcommittee (SCPS) evaluation of standards template or drafting team process changes.

The SER Advisory Group recognized that Reliability Standards efficiency should be an ongoing priority. As a result, two final recommendations were created: (1) Post recommended standards modifications from SER Phase 1, Phase 2 and CIP SER on the NERC website for consideration by existing and future SDTs and Periodic Review Teams (2) The SCPS, in coordination with the SC and NERC staff, will perform a comprehensive assessment and propose identified enhancements in the standards development and review processes to engrain efficiency principles.

NERC will continue to coordinate with the industry team to ensure all of the information developed through previous Standards Grading efforts, which includes consideration of content, quality, cost, and reliability impact analysis, align with the SER transition and future development projects.

### Other Projects Commencing

Currently, no Reliability Standards are due for periodic review in 2022. The Periodic Reviews will coordinate timing with any subsequent phases of the SER project to ensure the initiatives work together to review the standards that may need to be modified. Additionally, SARs, emerging risks to the BPS, and FERC regulatory directives that may occur subsequent to publishing this RSDP may prompt additional projects through 2021.

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<sup>4</sup> <https://www.nerc.com/pa/Stand/Pages/CIP-Standards-Efficiency-Review.aspx>

## Standards Grading Metrics

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The NERCSC endorsed the initial grading system for standards as a metric on March 9, 2016. The grading activity was directed by the NERC Board and is conducted by the Periodic Review Standing Review Team (PRSRT) as set forth in the Periodic Review process.<sup>5</sup>The PRSRT is comprised of the following:

- SRT chair: SC chair or (or SC chair delegate)
- Two representatives from the Reliability and Security Technical (RSTC)
- Representation from the Regional Entities
- NERC staff

The grading metrics include possible scores of 0-4 for content and 0-13 for quality. The set of standards chosen each year for grading, according to the criteria in the above section, will be graded to prioritize, and be a factor in determining the sequence they should enter into the Periodic Review process. At least one industry comment period will take place to allow industry to comment on the grading performed by the PRSRT. The grades, based on the PRSRT and any industry input, will be finalized, appended to the RSDP, and used to complete the prioritization each year. Additionally, input from other standards projects such as the Standards Efficiency Review, are being considered and coordinated with the Standards Grading activities.

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<sup>5</sup> The process is detailed in the Periodic Review template, which is available at:  
<https://www.nerc.com/pa/Stand/Resources/Documents/Periodic%20Review%20Template%20Feb%202016.pdf>.

## Attachment 1: Final Grades for Standards Considered in 2020

The PRSRT was tasked with using metrics from the 2013 Independent Experts Review Panel to assign numeric grades to instruct future Periodic Review teams.

While the PRSRT’s final standards grades are important data points for the Periodic Reviews to consider, they are intended as one of many inputs to facilitate discussion during the reviews. Detailed analysis and background information on the Standards Grading process and PRSRT recommendations for periodic review project prioritization based on 2020 grades are posted on the [project page](#).

2020 Standards Grades			
Standard	Requirement	Content Average	Quality Average
COM-001-3	R12.	3.75	12.25
COM-001-3	R13.	3.50	12.25
IRO-001-4	R1.	3.25	12.25
IRO-001-4	R2.	3.75	13.00
IRO-001-4	R3.	3.75	13.00
IRO-002-5	R1.	N/A	N/A
IRO-002-5	R2.	3.25	11.25
IRO-002-5	R3.	3.75	13.00
IRO-002-5	R4.	4.00	13.00
IRO-002-5	R5.	4.00	12.75
IRO-002-5	R6.	4.00	13.00
IRO-008-2	R1.	3.75	12.75
IRO-008-2	R2.	4.00	12.75
IRO-008-2	R3.	3.50	12.75
IRO-008-2	R4.	3.75	12.50
IRO-008-2	R5.	3.25	12.50
IRO-008-2	R6.	3.50	12.50
IRO-010-2	R1.	4.00	12.25
IRO-010-2	R2.	3.75	12.75
IRO-010-2	R3.	3.75	13.00
IRO-014-3	R1.	4.00	12.50
IRO-014-3	R2.	4.00	13.00
IRO-014-3	R3.	4.00	12.75
IRO-014-3	R4.	3.75	12.50
IRO-014-3	R5.	3.75	12.75
IRO-014-3	R6.	3.75	13.00
IRO-014-3	R7.	3.50	9.75
IRO-017-1	R1.	4.00	13.00
IRO-017-1	R2.	3.75	12.50
IRO-017-1	R3.	3.50	12.50
IRO-017-1	R4.	3.50	12.25
IRO-018-1(i)	R1.	3.75	12.50
IRO-018-1(i)	R2.	3.75	12.75

Attachment 1: Final Grades for Standards Considered in 2020

IRO-018-1(i)	R3.	4.00	12.50
TOP-001-4	R1.	3.75	12.75
TOP-001-4	R2.	3.75	12.50
TOP-001-4	R3.	3.75	12.75
TOP-001-4	R4.	3.25	12.50
TOP-001-4	R5.	3.50	12.50
TOP-001-4	R6.	3.50	12.50
TOP-001-4	R7.	3.50	9.75
TOP-001-4	R8.	3.50	12.75
TOP-001-4	R9.	3.25	12.00
TOP-001-4	R10.	4.00	12.50
TOP-001-4	R11.	4.00	13.00
TOP-001-4	R12.	4.00	13.00
TOP-001-4	R13.	3.75	12.75
TOP-001-4	R14.	3.75	12.00
TOP-001-4	R15.	3.75	12.00
TOP-001-4	R16.	4.00	13.00
TOP-001-4	R17.	3.75	12.75
TOP-001-4	R18.	3.75	12.50
TOP-001-4	R19.	N/A	N/A
TOP-001-4	R20.	3.75	12.00
TOP-001-4	R21.	4.00	13.00
TOP-001-4	R22.	N/A	N/A
TOP-001-4	R23.	3.75	12.25
TOP-001-4	R24.	3.75	13.00
TOP-002-4	R1.	4.00	13.00
TOP-002-4	R2.	4.00	13.00
TOP-002-4	R3.	3.50	13.00
TOP-002-4	R4.	3.75	12.75
TOP-002-4	R5.	3.50	13.00
TOP-002-4	R6.	3.25	12.50
TOP-002-4	R7.	3.25	12.50
TOP-003-3	R1.	4.00	10.50
TOP-003-3	R2.	4.00	10.50
TOP-003-3	R3.	3.75	13.00
TOP-003-3	R4.	3.75	13.00
TOP-003-3	R5.	4.00	12.25
TOP-010-1(i)	R1.	4.00	11.25
TOP-010-1(i)	R2.	4.00	11.25
TOP-010-1(i)	R3.	4.00	12.00
TOP-010-1(i)	R4.	2.75	12.50

## Attachment 2: Final Grades for Standards Considered in 2021

The PRSRT was tasked with using metrics from the 2013 Independent Experts Review Panel to assign numeric grades to instruct future Periodic Review teams.

While the PRSRT’s final standards grades are important data points for the Periodic Reviews to consider, they are intended as one of many inputs to facilitate discussion during the reviews. Detailed analysis and background information on the Standards Grading process and PRSRT recommendations for periodic review project prioritization based on 2021 grades are posted on the [project page](#).

2021 Standards Grades			
Standard	Requirement	Content Average	Quality Average
BAL-002-3	R1.	3.00	12.00
BAL-002-3	R2.	4.00	12.33
BAL-002-3	R3.	3.67	12.67
BAL-005-1	R1.	4.00	13.00
BAL-005-1	R2.	4.00	12.00
BAL-005-1	R3.	4.00	13.00
BAL-005-1	R4.	4.00	12.00
BAL-005-1	R5.	4.00	12.00
BAL-005-1	R6.	4.00	12.33
BAL-005-1	R7.	4.00	12.67
EOP-004-4	R1.	3.33	12.67
EOP-004-4	R2.	3.33	13.00
EOP-005-3	R1.	3.67	12.33
EOP-005-3	R2.	3.67	12.67
EOP-005-3	R3.	3.67	13.00
EOP-005-3	R4.	4.00	12.00
EOP-005-3	R5.	4.00	12.67
EOP-005-3	R6.	4.00	12.67
EOP-005-3	R7.	3.67	12.67
EOP-005-3	R8.	4.00	13.00
EOP-005-3	R9.	4.00	13.00
EOP-005-3	R10.	4.00	12.67
EOP-005-3	R11.	3.67	12.67
EOP-005-3	R12.	3.67	13.00
EOP-005-3	R13.	3.67	12.67
EOP-005-3	R14.	3.67	12.67
EOP-005-3	R15.	3.67	13.00
EOP-005-3	R16.	3.67	12.67
EOP-006-3	R1.	4.00	12.67
EOP-006-3	R2.	3.67	12.67
EOP-006-3	R3.	4.00	13.00
EOP-006-3	R4.	4.00	13.00
EOP-006-3	R5.	3.67	13.00

Attachment 2: Final Grades for Standards Considered in 2021

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EOP-006-3	R6.	4.00	12.67
EOP-006-3	R7.	4.00	12.67
EOP-006-3	R8.	3.67	12.67
EOP-008-2	R1.	3.67	12.00
EOP-008-2	R2.	4.00	12.67
EOP-008-2	R3.	3.67	12.67
EOP-008-2	R4.	3.67	12.67
EOP-008-2	R5.	4.00	12.67
EOP-008-2	R6.	4.00	12.33
EOP-008-2	R7.	4.00	13.00
EOP-008-2	R8.	3.67	12.33

## **Reliability Standard PRC-006-SERC-03 – Automatic Underfrequency Load Shedding**

### **Action**

Adopt the following standards documents and authorize staff to file with applicable regulatory authorities:

- **Reliability Standard PRC-006-SERC-03 – Automatic Underfrequency Load Shedding Violation Risk Factors and Violation Severity Levels**  
[\[PRC-006-SERC-03\]](#) [\[Redline to last approved\]](#)
- **Implementation Plan**  
[\[Implementation Plan\]](#)  
**Violation Risk Factors and Violation Severity Levels**  
[\[PRC-006-SERC-03\]](#)
- **Retirement**  
[\[PRC-006-SERC-02\]](#)

### **Background**

The PRC-006-SERC regional Reliability Standard was originally developed to provide regional underfrequency load shedding (UFLS) requirements to entities in the SERC Reliability Corporation Regional Entity footprint.

Proposed regional Reliability Standard PRC-006-SERC-03 was adopted by the SERC Board of Directors on June 24, 2021.

### **Summary**

The proposed revisions reflected in proposed regional Reliability Standard PRC-006-SERC-03 Automatic Underfrequency Load Shedding (UFLS) include the following:

- Removal of the requirement (Requirement R1) to allow Planning Coordinators to build a contiguous island, due to entities moving from one Planning Coordinator to another and no longer being contiguous with the existing island;
- Modification of UFLS settings to account for the existing settings of the Florida peninsula in Requirement R2;
- Addition of a second method to calculate the percent of load shed based on existing Florida peninsula practices in Requirements R4 and R5;
- Removal of the SERC UFLS Database requirement, Requirement R7, to remove an unnecessary burden on entities; and
- Addition of Planning Coordinator as a requestor in Requirement R8 to facilitate post-event analysis of frequency disturbances.

NERC staff supports the proposed Regional Reliability Standard. NERC posted the proposed standard for a 45-day comment period from August 25, 2021 through October 8, 2021. Any



adverse comments or minority opinions received during the comment period will be reviewed at the NERC Board of Trustees meeting.

**Pertinent FERC Directives**

None.

**Additional Information**

Links to the relevant project history pages and files are included here for reference:

[\[SERC Standards & Regional Criteria\]](#)

## **Critical Infrastructure Protection Board Resolution Updates**

### **Action**

None

### **Background**

The below information provides updates on activities in support of resolutions approved by the NERC Board of Trustees (Board) regarding Critical Infrastructure Protection (CIP) Reliability Standards.

### **Supply Chain Low Impact Resolutions**

In 2017, NERC developed new and revised CIP Reliability Standards to help mitigate cyber security risks associated with the supply chain for high and medium impact Bulk Electric System (BES) Cyber Systems. These standards collectively referred to as the Supply Chain Standards, consist of Reliability Standard CIP-013-1 and revised Reliability Standards CIP-010-3 and CIP-005-6. Consistent with the risk-based framework of the NERC CIP Reliability Standards, the Supply Chain Standards are applicable to the highest-risk systems that have the greatest impact to the grid. When adopting the Supply Chain Standards in August 2017, the Board directed NERC to undertake further action on supply chain issues. Among other things, the Board directed NERC to study the nature and complexity of cyber security supply chain risks, including those associated with low impact assets not currently subject to the Supply Chain Standards and develop recommendations for follow-up actions that will best address identified risks. To understand these risks better, NERC collected data from registered entities pursuant to a request for data or information under Section 1600 of the NERC Rules of Procedure.

NERC staff's analysis of the data collected showed that, while an individual compromise to any one low impact BES Cyber Asset location would generally be a localized event, a coordinated cyberattack with control of multiple locations could result in an event that has an interconnection wide BES reliability impact. The vast majority of transmission station and substation low impact BES Cyber Assets are at locations that have at most only one line greater than 300 kV or two lines greater than 200 kV (but less than 300 kV). Similarly, the vast majority of generation resource low impact BES Cyber Assets are at locations that have less than 500 MW. As such, an individual compromise to any one of these locations (transmission substations or generation resources) would generally be a localized event. However, a coordinated cyberattack with control of multiple locations could result in an event that has an interconnection wide BES reliability impact.

Based on the analysis of the data request, NERC staff recommended to the Board at its February 6, 2020 meeting that Reliability Standard CIP-003-8 be modified to include policies for low impact BES Cyber Systems to: (1) detect known or suspected malicious communications for both inbound and outbound communications; (2) determine when active vendor remote access sessions are initiated; and (3) disable active vendor remote access when necessary. The NERC Board approved a [resolution](#) at this meeting endorsing this action. Currently, the Project 2020-03 (Supply Chain Low Impact Revisions) standard drafting team is developing standards modifications to address this resolution.

## **CIP-002 Resolutions**

On May 14, 2020, the Board adopted proposed Reliability Standard CIP-002-6. The proposed Reliability Standard CIP-002-6 addressed the recommendation from the Version 5 Transition Advisory Group<sup>2</sup> to clarify the phrase “used to perform the functional obligations of the Transmission Operator (TOP)” in CIP-002-5.1a, Attachment 1, Criterion 2.12.

Specifically, the CIP-002-6 addressed the applicability of requirements to a Control Center owned by a Transmission Owner (TO) that performs the functional obligations of a TOP. The proposed criterion established an average MVA line loading based on voltage class for BES Transmission Lines operated between 100 and 499 kV. The aggregate weighted value of the BES Transmission Lines must exceed 6,000 to meet the minimum threshold established in Criterion 2.12. In meeting that threshold, associated BES Cyber Systems would be categorized as medium; those Control Centers that did not meet the threshold would have low impact BES Cyber Systems (if not already identified as high).

In light of recent cybersecurity events and the evolving threat landscape, the Board took action at its February 4, 2021 meeting to withdraw CIP-006-6. In doing so, they approved the following resolution:

***WHEREAS**, the Board adopted proposed Reliability Standard CIP-002-6 on May 14, 2020, in which a new criterion was proposed to address the applicability of the CIP Reliability Standards to Control Centers owned by Transmission Owners performing the functional obligations of a Transmission Operator;*

***WHEREAS**, recent cybersecurity events and the evolving threat landscape warrant additional caution regarding any criteria that may permit more entities to categorize BES Cyber System as low impact and therefore subject to fewer requirements in the CIP Reliability Standards;*

***NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby withdraws the proposed Reliability Standard CIP-002-6, as presented to the Board at this meeting.*

***FURTHER RESOLVED**, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.*

***FURTHER RESOLVED**, that NERC Staff, working with stakeholders, is directed to promptly conduct further study of the need to readdress the applicability of the CIP Reliability Standards to such Control Centers to safeguard reliability, for the purpose of recommending further action to the Board.*

***FURTHER RESOLVED**, that NERC Staff, working with stakeholders, recognizing the complexity of the undertaking, is directed to expeditiously complete its broader review and analysis of degrees of risk presented by various facilities that meet the criteria that define low impact cyber facilities and report on whether those criteria should be modified.*

***FURTHER RESOLVED**, that NERC Staff is directed to report to the Board on the status of this work on a quarterly basis until complete.*

NERC staff is currently addressing the above resolutions. First, NERC filed notice of withdrawal of its CIP-002-6 petition with FERC on February 5, 2021. Second, NERC and industry are working to initiate a field test under the NERC Rules of Procedure, Appendix 3A Section 6, as part of standards development Project 2021-03 CIP-002 Transmission Owner Control Centers to address the resolution regarding the applicability of CIP Reliability Standards to certain Control Centers. Finally, NERC assembled a team to review the risk posed by low impact BES Cyber Systems to address the resolution regarding a broader review and analysis of low impact cyber facilities. This team is currently working on a whitepaper.

## **2022 ERO Enterprise Work Plan Priorities**

### **Action**

Approve

### **Background**

The Board of Trustees (Board) approved the 2021 Work Plan Priorities (2021 Priorities) at its November 2020 meeting. The Priorities identify key accomplishments that align closely with the five [ERO Enterprise Long-Term Strategy focus areas](#):

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

### **Summary**

With the recent extreme weather and cyber events in 2020-2021, the Board requested NERC staff evaluate the current priorities and provide recommended adjustments. Considering the revisions to the 2021 Priorities and building upon those adjustments, the proposed 2022 Work Plan Priorities highlight projects that address four risk elements:

- Improve BES resilience for wide-spread long-term extreme temperature events;
- Deepen planning and operating focus beyond capacity adequacy, towards energy sufficiency;
- Enhance the structure of the CIP Standards, including review and improvement of the bright-line risk criteria; and
- Expand the impact of the E-ISAC through information sharing, communications, and monitoring of critical security threats.

NERC management will seek approval for the 2022 Work Plan Priorities.

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# 2022 NERC Work Plan Priorities

**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

- Improve BES resilience for wide-spread long-term extreme temperature events
- Deepen planning and operating focus beyond capacity adequacy, towards energy sufficiency
- Enhance the structure of the CIP Standards, including review and improvement of the bright-line risk criteria
- Expand the impact of the E-ISAC through enhanced information sharing, communications, and monitoring of critical security threats



	<b>2022 Key Objectives</b>
1.	<p><b>Standards: Cyber</b></p> <ul style="list-style-type: none"> <li>• Incorporate transmission planning and operational cyber risks into BPS Standards</li> <li>• Implement supply chain report recommendations</li> <li>• Complete evaluation of the bright-line risk criteria and change the criteria</li> </ul> <p><b>Standards: Energy and Reliability</b></p> <ul style="list-style-type: none"> <li>• Modify Reliability Standards based on actions identified by FERC/ERO Enterprise 2021 Cold Weather Inquiry</li> <li>• Implement 2021 Energy Reliability Assessment Task Force standard recommendations</li> <li>• Modify Standards ensuring transmission planning energy scenarios are studied for:               <ul style="list-style-type: none"> <li>▪ Normal and extreme events*</li> <li>▪ Gas-Electric Interdependencies</li> <li>▪ Distributed energy resource events</li> </ul> </li> </ul> <p><b>Standards: Emergent Risks</b></p> <ul style="list-style-type: none"> <li>• Modify existing NERC Reliability Standards:               <ul style="list-style-type: none"> <li>▪ Inverter Performance</li> <li>▪ Relay commissioning</li> </ul> </li> </ul>
2.	<p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>• Develop and implement plan to address facility ratings</li> </ul>

\* Includes extreme events creating common conditions that impact the energy resilience of the BPS, such as: extreme long-term, widespread cold and hot temperatures, widespread droughts in moisture, solar, wind, and fires.

<b>2022 Key Objectives</b>	
<b>1.</b>	<p><b>Assessment: Energy and Reliability</b></p> <ul style="list-style-type: none"> <li>• Implement FERC/ERO Enterprise 2021 Cold Weather Inquiry (non-Standard actions)               <ul style="list-style-type: none"> <li>▪ Reframing of resource adequacy in reliability assessments</li> <li>▪ Approach to natural gas-electric interdependency on BPS reliability</li> </ul> </li> <li>• Develop strategy for oversight of the transforming resource mix               <ul style="list-style-type: none"> <li>▪ Seasonal Assessments to include energy availability scenarios and probability-based analysis to assess potential energy limitations from extreme events</li> <li>▪ Conduct energy adequacy assessments for all assessment areas and publish in 2022 Long-Term Reliability Assessment</li> <li>▪ Implement 2021 Energy Reliability Assessment Task Force recommendations</li> <li>▪ To measure resilience, collect load loss recovery data from extreme events</li> </ul> </li> <li>• Develop technical guidance to support increasing amounts of distributed energy resources and inverter-based resources</li> </ul>
<b>2.</b>	<p><b>Assessment: Supply Chain and Security Engineering</b></p> <ul style="list-style-type: none"> <li>• Implement Supply Chain report’s recommendations</li> <li>• Supply chain risk mitigations for low impact BES Cyber Assets</li> <li>• Develop cybersecurity risk scenarios for BPS planning, engineering, and operations</li> <li>• Complete study on the implications of a coordinated cyber attack</li> <li>• Identify improvements to bright-line criteria or identify enhanced approach</li> </ul>

<b>2022 Key Objectives</b>	
<b>1.</b>	<p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>• Execute and refine strategic plan</li> <li>• Develop OT system monitoring and analysis capabilities and activate the objectives of the 100 day plan</li> <li>• Continue collaboration with ARC (Analysis Center for Systemic Risk) to refine risk mitigation strategies</li> <li>• Continue sharing and engagement with other critical infrastructure sectors and ISACs</li> <li>• Maintain strategic partnerships with U.S. and Canadian government partners, technology sector, and other key stakeholders</li> <li>• Explore opportunities to expand participant funding of key programs</li> </ul>
<b>2.</b>	<p><b>Information Sharing</b></p> <ul style="list-style-type: none"> <li>• Maintain focus on and share information regarding the most critical security threats (i.e. OT, Supply Chain)</li> <li>• Develop plans to significantly expand CRISP participation and evaluate other sensor technologies</li> <li>• Improve coordination and connectivity to Intelligence Community</li> <li>• Continue to conduct threat workshops, webinars and industry-wide exercises</li> </ul>
<b>3.</b>	<p><b>Analysis</b></p> <ul style="list-style-type: none"> <li>• Develop products to summarize analysis of sensors and proactively share with stakeholders</li> <li>• Deploy automated information sharing tools</li> <li>• Refine performance metrics to more accurately assess productivity and value</li> </ul>
<b>4.</b>	<p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>• Successfully roll out new E-ISAC portal and develop robust feedback mechanisms</li> <li>• Continue Industry Engagement Program and increase membership</li> <li>• Provide products and services tailored to public and municipal power</li> <li>• Continue to strengthen engagement and collaboration with natural gas sector</li> <li>• Maintain Canadian engagement, effectively activate the IESO relationship and use Project Lighthouse</li> </ul>

## 2022 Key Objectives

- 1. Enhance outreach to stakeholder/policy organizations**
  - Continue to sharpen reliability assessment recommendations and further develop state and Provincial outreach around key findings in partnership with the Regional Entities
  - Continue to expand outreach to stakeholder organizations that represent resource transition mix (solar, wind, natural gas, battery technology, etc.) to further engage on reliability, resilience and security matters.

**Cold Weather:**

  - Execute a robust outreach strategy surrounding the recommended actions outlined Mid-South Cold weather event inquiry report in coordination with FERC to include 1) U.S. Senate and House Committees of Jurisdiction, 2) Stakeholder Associations, and 3) U.S. Government
- 2. Leverage the work of others**
  - Leverage renewed working relationships with EPRI and NATF and NAGF to expand joint impact
  - Look for other organizational relationships to leverage where joint impact on Bulk Power System reliability could be expanded through better coordination/intentionality such as US DOE, CAMPUT, Ministers of Energy, NARUC, and Power Systems Engineering in Research Center (PSERC), etc.)
  - Continue to develop relationships with registered entities through NERC and the Regions.

	2022 Key Objectives
1.	<b>Align/SEL</b> <ul style="list-style-type: none"><li>• Roll-out Align R4 by Q3 2022, supported by stakeholder outreach and education, end-use training, and business unit readiness activities</li><li>• Explore potential additional uses of Evidence Locker functionality for other registered entity data gathering (e.g., NERC Alerts)</li></ul>
2.	<b>ERO Enterprise</b> <ul style="list-style-type: none"><li>• Solidify the ERO-Enterprise Transformation with increasing proof points per the Phase 2 Roadmap</li><li>• Update long-term strategy to reflect the current industry reliability, security and resilience environment.</li></ul>



# Questions and Answers

## **2021 Long-Term Reliability Assessment Preview**

### **Action**

Information

### **Background**

The Long-Term Reliability Assessment (LTRA) is developed annually by NERC in accordance with the Electric Reliability Organization’s (ERO) Rules of Procedure and Section 215 of the Federal Power Act, which instructs NERC to conduct periodic assessments of the North American bulk power system (BPS). The reliability assessment process is a coordinated reliability evaluation between the Reliability Assessment Subcommittee (RAS), the Regional Entities, and NERC staff. The scope of the LTRA includes the following:

- Review, assess, and report on the overall electric generation and transmission reliability (adequacy and operating reliability) of the interconnected BPS, both existing and as planned.
- Assess and report on the key issues, risks, and uncertainties that affect or have the potential to affect the reliability of existing and future electric supply and transmission.
- Review, analyze, and report on self-assessments of electric supply and bulk power transmission reliability, including reliability issues of specific Regional concern.
- Identify, analyze, and project trends in electric customer demand, supply, and transmission and their impacts on BPS reliability.
- Investigate, assess, and report on the potential impacts of new and evolving electricity market practices, new or proposed regulatory procedures, and new or proposed legislation (e.g., environmental requirements) on the adequacy and operating reliability of the BPS.

### **Summary**

The electricity industry provided NERC with resource adequacy projections for the 2022–2031 assessment period. NERC independently assessed these projections and has identified key findings and recommendations. The LTRA draft report will be provided to the NERC Board of Trustees and Member Representatives Committee in December, per the schedule below.

<b>2021 Long-Term Reliability Assessment Review Schedule</b>	
<b>Date</b>	<b>Description</b>
November 8	Draft sent to NERC Reliability and Security Technical Committee (RSTC)
December 2	Report sent to NERC Board
December 14	Embargoed report sent to MRC
December 16	NERC Board conference call to accept the report
December 21	Report release

## 2021-2022 Winter Reliability Assessment Preview

### Action

Information

### Background

The NERC 2021-2022 Winter Reliability Assessment (WRA) identifies, assesses, and reports on areas of concern regarding the reliability of the North American bulk power system (BPS) for the upcoming winter season. An analysis and summary of the NERC Level 2 Alert *Cold Weather Preparations for Extreme Weather Events* responses will be included in the report. In addition, the WRA will present peak electricity supply and demand changes, as well as highlight any unique regional challenges or expected conditions that might impact the BPS. The reliability assessment process is a coordinated reliability evaluation between the Reliability Assessment Subcommittee (RAS), the Regional Entities, and NERC staff.

The final report reflects NERC's independent assessment and is aimed at informing industry leaders, planners and operators, as well as regulatory bodies in order that they can be better prepared to take necessary actions to ensure BPS reliability. The report also provides an opportunity for the industry to discuss their plans and preparations for ensuring reliability throughout the upcoming winter period.

Pursuant to delegated authority from the Board of Trustees, NERC management expects to issue the 2021-2022 Winter Reliability Assessment on or about November 17, 2021. The review schedule below identifies key milestones for the report.

2021-22 Winter Reliability Assessment Review Schedule	
Date	Description
October 14	Draft sent to NERC Reliability and Security Technical Committee (RSTC)
November 10	Report sent to NERC Executive Management
November 12	Final report sent to NERC Board
November 17	Report release



## **Personnel Certification Governance Committee Report**

### **Action**

Information

### **Summary**

The Personnel Certification Governance Committee's (PCGC's) third quarter meeting was held August 16-18, 2021 virtually via WebEx.

### **Current Items**

- The Committee welcomed two new members, Mario Kiresich and Daniel Morse who will replace members Keith Carmen and Don Urban.
- A contract was signed between NERC and EPRI for the Credential Maintenance Research Project being conducted by the PCGC, Credential Maintenance Working Group (CMWG), and Individual Learning Activity (ILA) Joint Task Force. This research will enable the PCGC to align the program with current and future Credential Maintenance to ensure the system operators reliably operate the bulk electric system.
- NERC posted a notice on NERC.com and notified system operators and providers about a calculation issue with rollover hours for System Operator Credential renewal. NERC and the PCGC worked with the vendor to remedy the problem the second week of October.

### **Future Items**

- The Committee will work with the vendor to perform Job Task Analysis for the System Operator Certification program, the plan is to complete in March 2022.

## **Standards Committee Report**

### **Action**

Information

### **Background**

Over the last quarter, the Standards Committee (SC) held two meetings, filled a vacancy on the SC Executive Committee by action without a meeting, and conducted one special election to fill a vacancy in Segment 9.

Items addressed by the SC included accepting Standard Authorization Requests, appointing drafting teams for several ongoing projects, and disbanding Project 2019-05 Modifications to PER-003-2. Additionally, the SC endorsed revisions to the SC Charter, elected the chair and vice chair for the 2022-2023 term, and endorsed the 2022-2024 Reliability Standards Development Plan.

Please refer to Chapter 3 of the Standards Quarterly Report for a list of actions addressed by the Standards Committee over the previous quarter.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

Agenda Item 7c  
Board of Trustees Meeting  
November 4, 2021

# Reliability Standards

## Quarterly Report

November 4, 2021

**RELIABILITY | RESILIENCE | SECURITY**



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# Table of Contents

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Preface .....	iii
Chapter 1 : Standards Development Forecast .....	1
Board Forecast for Standard Projects in Active Development.....	1
ANSI Reaccreditation .....	1
Projects with Regulatory Directives.....	1
Trend in Number of Reliability Requirements .....	2
Chapter 2 : Regulatory Update .....	4
Chapter 3 : Standards Committee Report.....	6

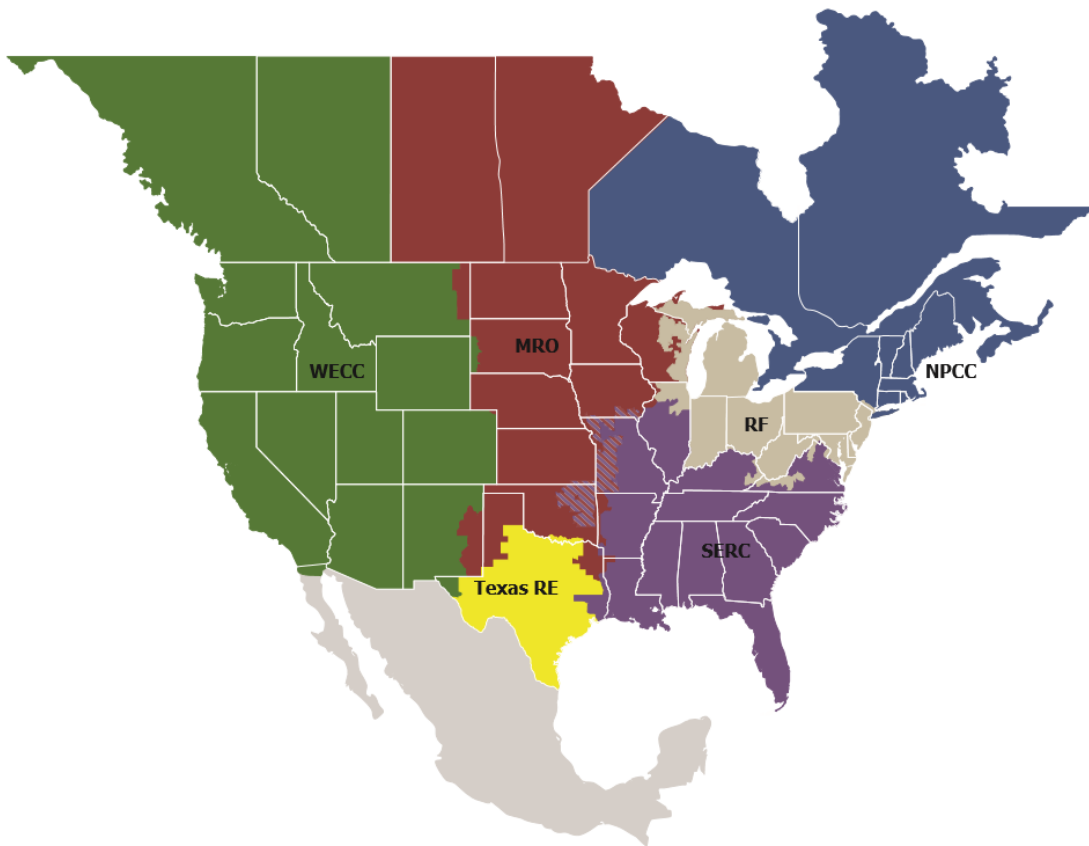
# Preface

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

Reliability | Resilience | Security  
*Because nearly 400 million citizens in North America are counting on us*

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



<b>MRO</b>	Midwest Reliability Organization
<b>NPCC</b>	Northeast Power Coordinating Council
<b>RF</b>	ReliabilityFirst
<b>SERC</b>	SERC Reliability Corporation
<b>Texas RE</b>	Texas Reliability Entity
<b>WECC</b>	Western Electricity Coordinating Council

# Chapter 1: Standards Development Forecast

## Board Forecast for Standard Projects in Active Development

The following projections reflect anticipated Board of Trustees (Board) adoption dates for continent-wide Reliability Standards.

### February 2021 or after

- Project 2016- 02: Modifications to CIP Standards (virtualization)
- Project 2017-01: Modifications to BAL-003-1.1 (phase 2)
- Project 2019-04: Modifications to PRC-005-6
- Project 2020-02: Transmission-connected Resources
- Project 2020-03: Supply Chain Low Impact Revisions
- Project 2020-04: Modifications to CIP-012-1
- Project 2020-06 Verifications of Models and Data for Generators
- Project 2021-01 Modifications to MOD-025 and PRC-019
- Project 2021-02 Modifications to VAR-002
- Project 2021-03 CIP-002 Transmission Owner Control Centers
- Project 2021-04 Modifications to PRC-002-2
- Project 2021-05 Modifications to PRC-023
- Project 2021-06 Modifications to IRO-010 and TOP-003

## ANSI Reaccreditation

NERC filed for reaccreditation as a Standards Developer in accordance with the accreditation processes of the American National Standards Institute (ANSI) on July 1, 2019. NERC's request remains pending at this time.

## Projects with Regulatory Directives

Table 1 below lists the current projects with regulatory directives. As of September 30, 2021, there is one standards-related directive to be resolved through standards development activities (not including non-standards related directives).<sup>1</sup>

Project	Regulatory Directives	Regulatory Deadline
Project 2020-04: Modifications to CIP-012-1	1	N/A

<sup>1</sup> A second directive requires NERC to file quarterly updates in the project schedules for Project 2016-02 Modifications to CIP Standards and Project 2019-02 BES Cyber System Information Access Management. A third directive requires NERC to begin a formal process to assess the feasibility of voluntarily conducting BES operations in the cloud in a secure manner and to make an informational filing by January 1, 2022.

## Trend in Number of Reliability Requirements

As NERC Reliability Standards continue to mature, NERC analyzes the trend in the total number of requirements in the United States since 2007 when Reliability Standards became enforceable.

The *US Effective Date Status/Functional Applicability*<sup>2</sup> spreadsheet was used to analyze the number of requirements based on the U.S. Effective Date for each requirement shown in the charts below. Figure 1 displays the Trend in Number of Requirements for Continent-Wide standards, while Figure 2 displays Regional Reliability Standards.<sup>3</sup> Standards with variances were not included in the requirement count. Projections from projects that include standards currently under development, board adopted standards and board approved retirements are also included in the total number of requirements based on their projected effective or inactive date.<sup>4</sup>

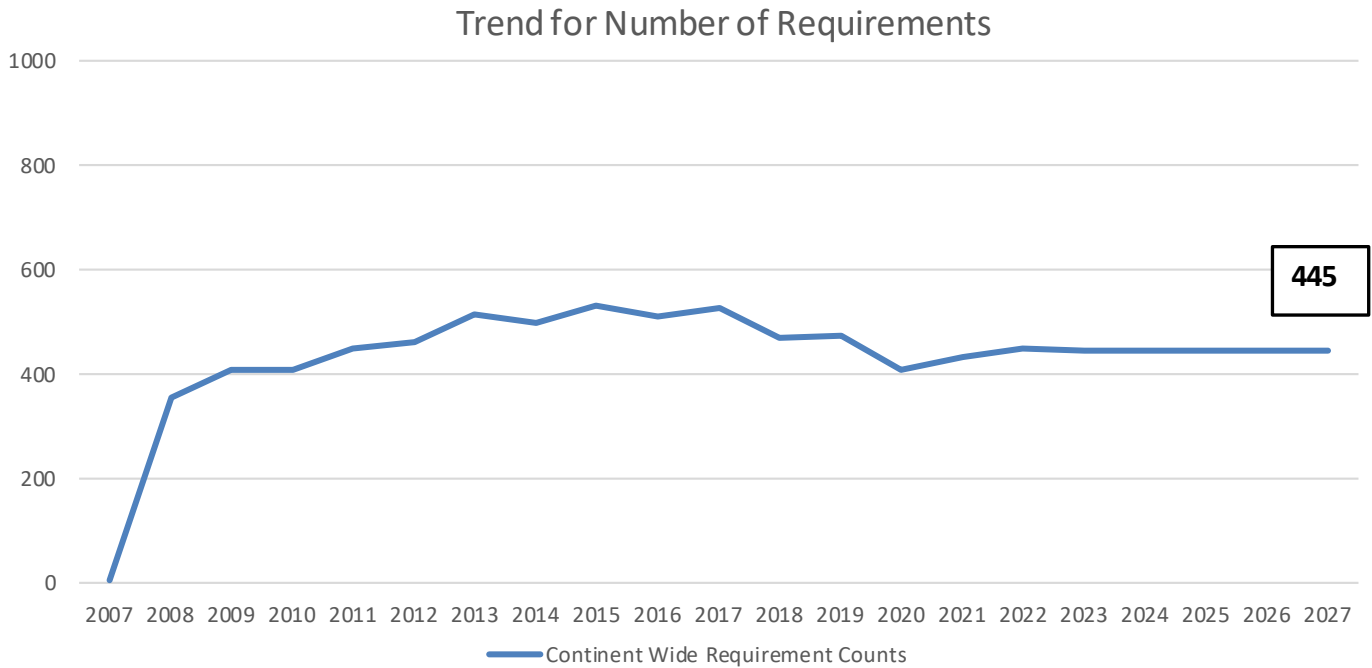
The trend for total number of requirements indicates a constant flat trend line for the last four years, with a significant decline from 2017 to 2021 for Continent-wide standards, and a significant decline in total number of requirements from 2019 to 2021 for Regional Reliability Standards. Figure 1 indicates 445 continent-wide requirements; Figure 2 indicates 69 Regional Reliability standards forecast for 2027.

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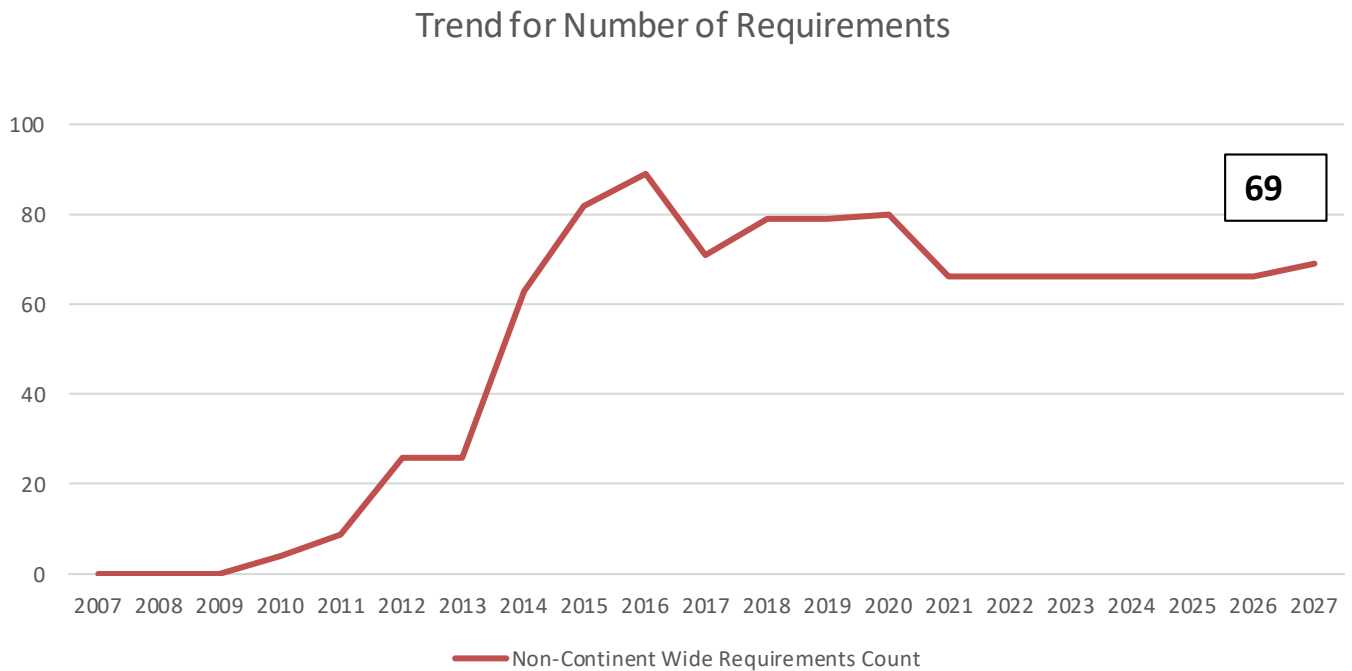
<sup>2</sup> Available from the Standards section of the NERC website: <http://www.nerc.com/pa/Stand/Pages/default.aspx>

<sup>3</sup> Charts were developed using end of Q4 2020 data.

<sup>4</sup> These projects include the following: Project 2015-09 (FAC-010-4, FAC-011-4, FAC-014-3), Project 2016-02 (CIP-003-7(i)), Project 2018-03 SER Retirements.



**Figure 2: Trend for Number of Requirements for Regional Reliability Standards**





## Chapter 2: Regulatory Update

### NERC FILINGS July 1, 2021 – September 30, 2021

FERC Docket No.	Filing Description	FERC Submittal Date
RR21-7-000	<a href="#">Petition for Approval of Amendments to the MRO Regional Reliability Standards Process Manual</a> NERC submitted to FERC a petition for approval of amendments to the MRO Regional Reliability Standards Process Manual.	8/16/2021
RR21-8-000	<a href="#">Petition for ROP Revisions Regarding Standards</a> NERC submitted to FERC a petition for approval of revisions to the NERC Rules of Procedure regarding Reliability Standards (Section 300, App. 3B, and 3D).	8/18/2021
RD21-6-000	<a href="#">Petition for BCSI Standards</a> NERC submitted to FERC a petition for approval of proposed Reliability Standards CIP-004-7 and CIP-011-3 addressing Bulk Electric System Cyber System Information (BCSI) Access Management.	9/15/2021
RD20-2-000	<a href="#">CIP SDT Schedule September Update Informational Filing</a> NERC submitted to FERC an informational compliance filing as directed by FERC in its February 20, 2020 Order. This filing contains a status update on two standards development projects relating to the CIP Reliability Standards.	9/15/2021
AD21-13-000	<a href="#">Post-Technical Conference Comments of NERC on Climate Change, Extreme Weather, and Electric System Reliability</a> NERC submitted to FERC in response to Notice Inviting Post-Technical Comments issued on August 11, 2021 in the Climate Change, Extreme Weather, and Electric System Reliability technical conference proceeding.	9/24/2021
RR10-1-000 RR13-3-000	<a href="#">Annual Report of NERC on Wide-Area Analysis of Technical Feasibility Exceptions</a> NERC submits to FERC the 2021 Annual Report of the Wide-Area Analysis of Technical Feasibility Exceptions in compliance with Paragraphs 220 and 221 of FERC's Order 706.	9/28/2021

## FERC ISSUANCES

### July 1, 2021 – September 30, 2021

ERC Docket No.	Issuance Description	FERC Issuance Date
RD21-5-000	<a href="#"><u>Order Approving Cold Weather Reliability Standards</u></a> FERC issued an order approving Reliability Standards EOP-011-2, IRO-010-4, and TOP-003-5 (the Cold Weather Reliability Standards).	8/24/2021
RR21-4-000	<a href="#"><u>Order approving Revisions to WECC Regional Reliability Standards Development Procedures (RSDP)</u></a> FERC issued a letter order approving revisions to WECC Regional Reliability Standards Development Procedures (RSDP).	9/13/2021

## Chapter 3: Standards Committee Report

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### Summary

This report highlights some of the key activities of the Standards Committee (SC) during the second quarter of 2021.

At its July meeting, the SC:

- Appointed chair, vice chair, and members to the Project 2021-01 Modifications to MOD-025 and PRC-019 Standard Authorization Request (SAR) drafting team (DT), as recommended by NERC staff.
- Appointed chair, vice chair, and members to the Project 2021-02 Modifications to VAR-002-4.1 SAR DT, as recommended by NERC staff.
- Accepted the Project 2020-06 Verifications of Models and Data for Generators and Transmission-connected Dynamic Reactive Resources Standard Authorization Requests (SARs); authorized drafting revisions to the Reliability Standards identified in the SARs; and appointed the Project 2020-06 SAR Drafting Team (DT) as the Project 2020-06 Standard Drafting Team (SDT).
- Accepted the SAR as submitted by ISO New England proposing modifications to CIP-002-5.1a and CIP-014-2 concerning Facilities identified critical by Reliability Coordinators, Planning Coordinators and Transmission Planners; authorized posting of the SAR for a 30-day formal comment period; and assigned the SAR to the Project 2021-03 SDT.
- Rejected the PER-003-2 SAR; and disbanded the Project 2019-05 Modifications to PER-003-2 SDT as a result of a request by the submitter to withdraw the SAR.

The August SC meeting was cancelled due to lack of relevant topics. However, on August 13 the SC had an action without a meeting to elect a representative to the Standards Committee Executive Committee (SCEC) to fill a vacancy for the remainder of the 2021 term. Philip Winston, Retired – Southern Company, was elected to the SCEC.

At its September, meeting, the SC:

- Elected the chair and vice chair of the Standards Committee (SC) for a two-year term starting January 1, 2022 and ending December 31, 2023.
- Appointed chair, vice chair, and members to the Project 2020-02 Transmission-connected Dynamic Reactive Resources SAR DT as recommended by NERC staff and authorized solicitation for additional team members.
- Appointed chair, vice chair, and members to the Project 2021-04 Modifications to PRC-002 SAR DT as recommended by NERC staff.
- Appointed members, chair, and vice chair to the SAR DT for Project 2021-06 Modifications to IRO-010-2 and TOP-003-3 as recommended by NERC staff.
- Appointed chair, vice chair, and members to the Project 2021-05 Modifications to PRC-023 SAR DT as recommended by NERC staff.
- Endorsed revisions to the Standards Committee Charter for submission to the Board.
- Endorsed the 2022-2024 Reliability Standards Development Plan (RSDP).

One special election was conducted to fill an opening in Segment 9. The election was conducted from September 14 – September 23, 2021 for the remainder of the 2021-2022 term. Sarosh Muncherji, Cyber Security Specialist from British Columbia Utilities Commission, was elected to the Standards Committee.

## **Compliance and Certification Committee (CCC) Report**

### **Action**

Information

### **Highlights**

The CCC convened its third quarter meeting virtually via WebEx on September 22-23, 2021. For the third consecutive year, the CCC spent a portion of the meeting in joint session with the NERC Standards Committee. These sessions allow for the opportunity to share across the committee structures, reinforce the relationship and continuous improvement cycle as detailed in the ERO Framework to Address Known and Emerging Reliability Risks, as well as broadens awareness to work in progress across the ERO Enterprise. The CCC activities are summarized as follows:

- As included in the CCC Charter, the Committee is responsible for providing comments and recommendations to the NERC Board of Trustees (Board) and NERC management regarding stakeholder perceptions of the policies, programs, practices, and effectiveness of the Compliance Monitoring and Enforcement Program and the Organization Registration and Certification Programs, as well as elements of the Reliability Standards Development Process. The 2021 Stakeholder Perceptions Work Plan associated with the Committee's Stakeholder Perceptions Feedback Program reflects the following areas:
  - Compliance Oversight Plans
  - Risk-based Standards and Compliance Oversight
  - Registration and Certification Processes
  - Self-Logging Processes and Evidence Requirements
  - Align and Secure Evidence Locker Implementation Experience
  - Facility Ratings
  - Supply Chain Risk Management

This quarter's discussion was focused on Enforcement Processes and the Self-Logging Program. The CCC members appreciate the participation and diligent engagement from the ERO Enterprise, as well as feedback received from numerous sectors prior to the meeting. The CCC members will be reaching out to obtain input from the Member Representatives Committee, as was the commitment as the Stakeholder Survey Process changes occurred.

As the year is drawing to a close and the Stakeholder Perceptions Workplan is coming to conclusion, the CCC Executive Committee is engaging with the ERO Enterprise to review the results and will provide a report for broader distribution, "Stakeholder Perceptions Feedback Summary," to review the results of the perceptions gathered in the aforementioned areas along with any Committee observations for further consideration.

- The Committee initiated the call for Nominations of new members in mid-July. The successful candidates were presented today for Board consideration with the Committee's recommendation for appointment. In addition, at the end of this year, the Committee leadership terms will come to a close. With approval of the Committee, the CCC submits the leadership slate for Board consideration as follows: Scott Tomaszewski, NCPA, to serve as Chair and Silvia Parada-Mitchell, NextEra, to serve as Vice Chair. The Committee leadership, if approved, will serve a term beginning January 1, 2022 and concluding on December 31, 2023.
- In working with NERC Internal Audit, the Committee completed the update of CCC procedures for monitoring adherence to the NERC Rules of Procedure Appendices 4A, 4B, 4C, and 5A. The CCC serves in an observer capacity in partnership with NERC Internal Audit to fulfill the Committee's commitments in the CCC charter for monitoring NERC's adherence to the ROP and for Regional Entity adherence to the ROP. As directed earlier this year, NERC will begin conducting the audits of the Regional Entities in adherence to Appendix 4A in 2022. CCC Observers will participate. Lastly, NERC completed the self-certification for ROP adherence for the CMEP and ORCP which was delivered by the CCC Chair to the EWRC Chair prior to the October 26, 2021 meeting.
- The ERO Monitoring Subcommittee provided updates on CCC Program Procedures and the cycle for review of those documents that describe how the CCC executes the ROP responsibilities as captured in the CCC Charter. Vice Chair Mulholland discussed the work that is ongoing around the Stakeholder Perception Feedback plan.
- The Organization Registration and Certification Subcommittee (ORCS) provided updates on the work with the NERC Organization Registration and Certification Group on several activities. The first is focused on an ERO 101 product – a comprehensive guide and information package for newly registered entity. There will be additional work upcoming for those entities that have been registered longer. In addition, the ORCS is assisting with website updates. Lastly, the ORCS worked with the ERO Enterprise on the CMEP Practice Guide around Battery Energy Storage Systems and Hybrid Resources.
- On August 27th, the Supply Chain Task Force (SCTF) conducted a joint webinar with the ERO Enterprise to address potential concerns with industry readiness for the enforcement of the CIP-013 Standards, Supply Chain Risk Management, and as an outreach opportunity to ensure industry remains informed and to support industry readiness. The NERC SCTF and the ERO Enterprise have been updating the Supply Chain Frequently Asked Questions for industry awareness and clarification of expectations. In addition, the SCTF has established a temporary email for submission of industry questions or requests where additional clarification is desired. The CCC would like to specifically acknowledge ReliabilityFirst, Texas RE and NERC for the collaboration on this effort.
- The Facility Ratings Task Force (FRTF), conducted jointly with the Reliability and Security Technical Committee, has spent a lot of time determining the best path forward on this topic over the last year or so. Currently, the FRTF is working on a Final Report that outlines the details for what is proposed to be achievable in the near-term as well as areas that could become beneficial in the future. In the near term, the FRTF will support outreach with industry to consider current guidance presented by NATF and the focus on more controls as presented by the ERO. In addition, the NATF members of the FRTF

will be providing input to the NATF on an addendum to the Facility Ratings best practices created by the industry focused on controls and process. The long-term items continue to emphasize the need for more accurate data and reporting as well as updated standard language changes. We plan to have a final draft reviewed and presented in the next couple of months with a plan to conclude the work of the task force by year-end.

- The CCC continues to work with ERO staff on any potential alignment issues. We appreciate the opportunity to participate in the Align Users Group and the opportunity to review CMEP Practice Guides.

Lastly, the Committee would like to express our deepest condolences to the family of John Allen, City Utilities of Springfield, Missouri, and heartfelt appreciation for the significant contributions of service to the Committee's work and dedication to the industry.

This submission represents my last report as the CCC Chair. It has been an honor to serve the Committee and the industry in this role. I am very proud of the many accomplishments that the Committee has achieved over the past four years and the strong collaboration with our ERO Enterprise counterparts. The dedication, professionalism, and hard work of the Committee members is evident in all of the achievements and unwavering dedication to continuous improvement of the programs. The Committee's success is largely due to the efforts of working together for the success of all. My sincere appreciation to Yvette Landin and Tiffany Whaley – without you, the Committee couldn't be successful. Please accept my deepest gratitude and appreciation for the support and opportunity to serve.

The next CCC meeting will be held on November 17-18, 2021. We appreciate the continued collaboration with the ERO Enterprise in support of the Committee's efforts.

## Reliability and Security Technical Committee Report

### Action

Information

### Reliability and Security Technical Committee's (RSTC) Highlights

The RSTC held a meeting September 8 and 9 via WebEx. The following are highlights from the meeting.

- The RSTC approved Edison Elizeh, Sector 4 representative, to the Nominating Subcommittee. Mr. Elizeh will complete the remainder of the term vacated by Todd Lucas who was appointed to the Executive Committee.
- The RSTC accepted to post the Reliability Guideline DER Forecasting for a 45-day comment period.
- The RSTC approved the Synchronized Measurements Working Group (SMWG) Scope Document.
- The RSTC created a team to address the annual review of all working groups and task forces as mandated by Section 6 of the RSTC Charter.
- The RSTC created a team to coordinate with members of the Reliability Issues Steering Committee (RISC) and NERC staff to review the recommendations contained in the 2021 ERO Reliability Risk Priorities Report and develop RSTC Work Plan items to address any gaps from the current work plan.
- A presentation was given to the RSTC on the *Impact of Proposed Wi-Fi Operations on Microwave Links AT 6 GHz*. During discussions, the RSTC membership felt the issue warranted investigating and a new task force is being proposed to do so. A scope document, task force roster and work plan will be presented for approval at the RSTC's December 2021 meeting.
- The RSTC will conduct four electronic ballots for consideration of approval:
  - Revisions to the RSTC Charter (*October 4-18*)
  - CIP-002 Transmission Owner Control Centers (TOCCs) Field Test in collaboration with Standard Development Project 2021-03 (*October 18-29*)
  - Winter Reliability Assessment (*October 27-November 5*)
  - Long-Term Reliability Assessment (*November 8-15*)

## **Future Actions**

- Annual Sector Nominations and Elections will occur October 15-November 30, 2021. At-large Nominations will occur December 10-24, 2021.
- 2022 Meeting Dates:
  - March 8-9, 2022 (Platform still TBD)
  - June 7-8, 2022 (Virtual)
  - September 13-14, 2022 (In-person)
  - December 14-15, 2022 (Virtual)



## Reliability Issues Steering Committee Report

### Action

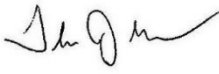
Information

### RISC Committee Highlights

- The 2021 ERO Reliability Risk Priorities Report was presented to and approved by the Board of Trustees at its August 12, 2021 meeting.

The RISC (RISC Report) is published every two years and is intended to inform regulators, policy makers and industry on existing and emerging risks as well as proposed and implemented mitigating strategies. The report builds off the [2019 ERO Reliability Risk Priorities Report, initial risk identification and mitigation framework](#), the Emerging Risks survey, the Reliability Leadership Summit, as well as additional input from the RISC members and individual industry leaders. The RISC works diligently to leverage all information to build a cogent report. It is also incumbent on the RISC to measure the effectiveness and progress toward resolution of identified risks and the efficacy of mitigating activities.

- The RISC and RSTC Leadership met on September 29 to continue its coordination efforts on the [Framework to Address Known and Emerging Reliability and Security Risks](#).
- Members of the RISC will serve on the recently created RSTC Tiger Team which is tasked with reviewing the 2021 ERO Reliability Risk Priorities Report and its recommended mitigating activities and assignment of those activities to the appropriate work plans.
- The next meeting of the RISC will provide an opportunity for the Committee to receive a presentation on the Cold Weather Joint Inquiry report and its recommendations.

**To:** NERC Board of Trustees (BOT)  
**From:** Thomas J. Galloway, NATF President and CEO   
**Date:** October 13, 2021  
**Subject:** NATF Periodic Report to the NERC BOT (November 2021)  
**Attachments:** NATF External Newsletter (October 2021)

The NATF interfaces with the industry as well as regulatory agencies on key reliability, resiliency, security, and safety topics to promote collaboration, alignment, and continuous improvement, while reducing duplication of effort. Some examples are highlighted below and in the attached NATF external newsletter, which is also available on our public website: [www.natf.net/news/newsletters](http://www.natf.net/news/newsletters).

## NATF Supply Chain Foundations, Next Steps, and ERO Support

Much progress has been made toward supply chain security since 2017 when, in response to the directives in the Federal Energy Regulatory Commission's (FERC) Order 829, the NERC board asked the North American Transmission Forum (NATF) and North American Generator Forum (NAGF) to develop white papers addressing best and leading practices in supply chain management.

Since that time, the NATF and NATF-led Industry Organizations Team (consisting of electric utilities, energy industry trade and forum representatives, suppliers, third-party assessors, and solution providers) have produced—and openly shared—work that is responsive to the NERC board's resolutions to address supply chain risk management issues. The NATF and the Industry Organizations Team's objectives are to further supply chain security through the identification and mitigation of risks; to converge industry on information needed for that purpose; and to develop practices that are efficient, effective, and meet compliance requirements.

With those objectives in mind, the NATF's "Supply Chain Security Assessment Model," the "NATF Supply Chain Security Criteria," and "Energy Sector Supply Chain Risk Questionnaire" were developed. The Industry Organizations Team also developed guides for entities on understanding third-party assessments and using solution providers for third-party risk management. A series of webinars was conducted to share entities' methods for conducting risk assessments, and APPA (an Industry Organization Team member) developed a guide with input from other team members on supply chain risk management, including methods for conducting a risk assessment. Information on available products and services to identify and mitigate risks was provided in another webinar series.

As we reflect on these accomplishments, it is also an opportunity to look forward to what is needed to achieve the next level of maturity for these supply chain security efforts. Four key components are emerging for maturity:

- A process for evaluating and mitigating supply chain risks
- The information that is needed from suppliers to evaluate potential supply chain risks
- Entities' access to supplier information and other supply chain risk information

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- Entities' ability to know their practices, if appropriately implemented, will meet compliance requirements

The first three have been achieved or are in process. The NATF model provides the process, and the NATF criteria and questionnaire obtain the information needed from suppliers. The NATF criteria and questionnaire may be revised as needed through the associated industry-wide revision process that includes regulators, intelligence agencies (e.g., the E-ISAC), and suppliers. Regarding industry access to information, the NATF, EEI, APPA, and NRECA—with industry support—are embarking on activities to assess the need for and potential interest in a proposed central library concept, which is ultimately intended to streamline the collection and sharing of supply chain risk information.

The NATF has asked for assistance from the NERC board, NERC, and the Regions on the last component. ERO endorsement of the NATF and industry efforts conducted to support the 2017 NERC board request (specifically the NATF model, criteria, and questionnaire) would provide registered entities with added confidence that, if implemented appropriately, use of these tools is one way to meet compliance. NERC board recognition of the NATF's supply chain work and products as responsive to the 2017 resolution and ERO endorsement of the NATF model, criteria, and questionnaire will serve to further foster industry convergence on these methods to enhance security. More information will be provided for the February 2022 NERC board meeting.

## Winter 2021 Freeze Event

NATF staff and members have been reviewing the preliminary findings and recommendations from the FERC-ERO joint inquiry team's report on the 2021 winter freeze event. The NATF has been facilitating information exchange for members and discussing further options to support members without duplicating effort. The report will serve as input to help guide any specific NATF actions. One potential action is a joint NATF-NERC webinar for NATF members regarding recommendations from the inquiry.

## Facility Ratings

The NATF has been working with its members to socialize and review member implementation of facility ratings practices developed by a team of subject-matter experts from NATF member companies. A summary report on overall member implementation status as of April 2021 was provided by the NATF to NERC and regional entity leadership in August. The NATF is currently conducting its third information collection from members to track ongoing status of practices implementation. The next summary report to the ERO will be provided in January/February 2022.

In addition, the NATF is updating its facility ratings practices document to incorporate a method to prioritize implementation of the practices based on relevant facility risk and note examples of internal controls for facility ratings processes. The revised document should be ready for member use in November 2021.

## Value of NATF Peer Reviews

NATF review teams, comprising the members' own subject-matter experts, conduct periodic, confidential evaluations of NATF member organizations (which we refer to as the "host"). Each review consists of three to four days of interviews and observations, followed by a report that includes recommendations to the host member's executives and staff. Best practices from both the host and review team organizations are brought back to NATF practice groups for further sharing.

The NATF has conducted over 100 peer reviews, offering significant value to members. To help understand the overall benefit of the program, NATF staff follows up with hosts at both the six-month and one-year marks to inquire about the status of recommendations offered (i.e., completed, partially completed, planned for future implementation, still under review, or plan to take no action). Recommendations members have completed, partially completed, or plan to complete in the future are considered “realized value,” meaning that implementation of the recommendations improves aspects such as member processes, procedures, readiness, safety, and, ultimately, transmission-system reliability and resilience.

To date, the NATF membership has provided peer-review hosts over 7900 recommendations, of which approximately 5700 have completed or planned action; the realized value is 72% at the one-year follow-up mark.

# North American Transmission Forum External Newsletter

October 2021

## NATF Posts Guidance for Entities Working with Solution Providers

The NATF has posted the “NATF Industry Collaboration: Using Solution Providers for Third-Party Risk Management” guide for industry use. The document clarifies the role of a solution provider and provides guidance for entities that are considering a solution provider’s services to assist with evaluations of suppliers’ cyber security practices. These services, such as gathering supplier information and providing analysis, can provide significant support for an entity’s ongoing supply chain cyber security risk management.

The Industry Organization Team suppliers and solution providers jointly developed the document. They have provided entities with items to consider based on insights from both perspectives and, through the development of this document, strengthened the relationships between the two industries.

The document is available on the NATF [Supply Chain Cyber Security Industry Coordination](#) page.



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## 2021 EPRI-NERC-NATF Planning and Modeling Virtual Seminar

The NATF is partnering with the North American Electric Reliability Corporation (NERC) and the Electric Power Research Institute (EPRI) to host a planning and modeling seminar focused on planning for a decarbonized grid. Subject-matter experts from across the industry will present on topics such as planning aspects of hybrid plants and bulk electric system storage, use of climate information for assessing the impacts of extreme weather events, and technology impacting the industry.

The seminar will be conducted over two days: November 3-4 from 1:00 p.m. to 4:00 p.m. eastern each day. See the [event flyer](#) for more information.

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## New Product for NATF Members

The NATF is launching a new offering for members: NATF bulletins. As part of the NATF’s value proposition to actively leverage the strengths of our individual members to make the entire membership stronger, the intent of an NATF bulletin is to improve and promote reliability, security, safety, and resilience through the sharing of actionable information. NATF bulletins share lessons learned and recommendations obtained by aggregating and analyzing member experiences and data to provide opportunities for members to learn without experiencing issues and events first-hand.

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## Redacted Operating Experience Reports

We recently posted two new operating experience reports to the “[Documents](#)” section of our public site for members and other utilities to use internally and share with their contractors to help improve safety, reliability, and resilience.

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*For more information about the NATF, please visit [www.natf.net](http://www.natf.net).*



## North American Generator Forum

**TO: NERC Board of Trustees  
James B. Robb, President and CEO**

**FROM: Wayne D. Sipperly Jr, Executive Director, North American  
Generator Forum (NAGF)**

**DATE: October 18, 2021**

**SUBJECT: NAGF 2021 Fall Report**

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The NAGF continues to provide its members with the opportunity to share their plans for business operations in the “new normal” via webinars and the NAGF Groupsite discussion board.

The NAGF is actively engaged in the following NERC Projects to help ensure the generator sector perspective is heard and understood:

- NERC Project 2019-04: Modifications to PRC-005-6
- NERC Project 2020-03: Supply Chain Supply Chain Low Impact Revisions
- NERC Project 2021-02: Modifications to VAR-002
- NERC Project 2021-04: Modifications to PRC-002

The 2021 NAGF Virtual Compliance Conference was held October 12-14<sup>th</sup> from 01:00-05:00 pm each day. The theme for this year’s conference was generator reliability and resiliency. NERC Board Chair Ken DeFontes and former FERC Commissioner Cheryl LaFleur provided keynote addresses. Topics discussed included Winter Storm Uri, Self Reports and Mitigation Plans, CIP Key Internal Controls, Generator Resiliency, and more. Attendance averaged over 90 participants per day.

The NAGF participated in the FERC Virtual Open Meeting held on September 23<sup>rd</sup> and the Annual FERC Commissioner-led Technical Conference on September 30<sup>th</sup>.