

July 7, 2021

Mr. Paul Choudhury, Chair
NERC Member Representatives Committee

Dear Paul:

I invite the Member Representatives Committee (MRC) to provide policy input on one matter of particular interest to the NERC Board of Trustees (Board) as it prepares for its August 11-12, 2021, meetings, which will occur via teleconference. In addition, policy input is requested on any items on the preliminary agendas for the quarterly Board, Board Committees, and MRC meetings. The preliminary agendas are included in the [MRC Informational Session agenda package](#) (see Item 1) and are attached hereto (**Attachment A**). The MRC's August agenda includes an opportunity for MRC members to provide additional input to the Board on the final agenda and materials. **As a reminder, please include a summary of your comments in your response (i.e., a bulleted list of key points) for NERC to compile into a single summary document to be provided to the Board for reference, together with the full set of comments.**

Implementation of ERO Policies, Procedures, and Programs for 2021/2022 Winter Energy Readiness

The ERO Enterprise has various policies, procedures, and programs to identify and mitigate risks to the bulk power system. Since 2011, the ERO Enterprise has heightened its scrutiny over events during extreme winter weather conditions. Most recently, FERC and the ERO Enterprise initiated a joint inquiry to review the circumstances surrounding the February 2021 event that affected Texas and parts of the southern central United States. Prior to that, driven by the result of a joint inquiry into the January 17, 2018, south central United States cold weather event, NERC initiated a project resulting in the development of Reliability Standards EOP-011-2, IRO-010-4, and TOP-003-5. These Cold Weather Reliability Standards were revised to improve generator preparedness for and enhance situational awareness in cold weather conditions. They were recently adopted by the NERC Board of Trustees and are currently pending FERC approval.

The new Cold Weather Reliability Standards will not go into effect before the upcoming winter and there are additional preparations needed for beyond unit winterization. Therefore, the ERO Enterprise is pursuing the following efforts to evaluate industry preparedness for the upcoming 2021/2022 Winter.

1. **Winter Weather Preparedness Outreach and Industry Engagement** – The ERO Enterprise will conduct several webinars, conferences, and workshops focused on cold weather preparedness.
2. **Registered Entity On-site/Virtual Engagement** – Some Regional Entities will conduct on-site or virtual visits with their registered entities to better understand the extent of condition for preparedness for the upcoming winter.

3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com

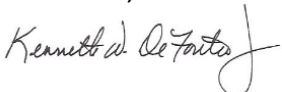
3. **Level 2 NERC Alert** – NERC will issue a Level 2 Alert in August 2021 to gauge actions being taken to prepare for the upcoming winter, specific mitigations being implemented from existing Reliability Guidelines and Lessons Learned, status of implementing those mitigations, and timeline for completing any outstanding mitigation prior to the upcoming winter season. The Alert will recommend specific actions be taken based on past events and the new Reliability Standards. Responses will be used as an input by the ERO Enterprise to determine the general risk profile for the upcoming winter.
4. **Compliance Monitoring and Enforcement Program (CMEP) Practice Guide** – The ERO Enterprise is considering developing a CMEP Practice Guide to help CMEP staff engage with and understand how registered entities are managing the risk to reliability related to cold weather preparedness in preparation for, and during the implementation of, the Cold Weather Reliability Standards. The Practice Guide will provide direction to CMEP staff on understanding registered entities' current cold weather preparedness plans and activities during compliance monitoring and enforcement activities to provide the ERO Enterprise with a better understanding of the entity's practices as they relate to mitigating known cold weather related risks. In addition, it will encourage industry to be proactive and consider existing good utility practices in their approach to cold weather preparedness.
5. **2021/2022 Winter Reliability Assessment** – This annual report, expected to be published in November 2021, will include additional focus on extreme winter weather preparation, energy management planning, and expected operational conditions.

The Board requests MRC policy input on the following:

1. **What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?**
2. **What additional steps should be taken by industry to address preparations for upcoming winter extreme events?**

Written comments in response to the input requested above, the preliminary agenda topics, and on other matters that you wish to bring to the Board's attention are due by **July 28, 2021**, to Kristin Iwanechko, MRC Secretary (Kristin.Iwanechko@nerc.net). The formal agenda packages for the Board, Board Committees, and MRC meetings will be available on July 29, 2021, and the presentations will be available on August 5, 2021. The Board looks forward to your input and discussion of these matters during the August 2021 meetings.

Thank You,



Kenneth W. DeFontes, Jr., Chair
NERC Board of Trustees

cc: NERC Board of Trustees
Member Representatives Committee

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Member Representatives Committee (MRC)

Pre-Meeting and Informational Webinar
July 14, 2021

RELIABILITY | RESILIENCE | SECURITY



- Review schedule and preliminary agenda topics for the August 2021 Board, Board Committees, and MRC meetings
- Review policy input letter topic
 - Implementation of ERO Policies, Procedures, and Programs for 2021/2022 Winter Energy Readiness

- **July 7:** Policy input letter issued
- **July 28:** Written comments due on policy input topics and preliminary agenda topics
- **July 29:** Board and MRC agenda packages and policy input letter comments posted
- **August 5:** Board and MRC presentations posted
- **August 11-12:** Board Committee, Board, and MRC open meetings

Schedule of August 11-12 Board and MRC Open Conference Calls

Wednesday, August 11, 2021	
11:00 a.m.-12:00 p.m.	Corporate Governance and Human Resources Committee Meeting — <u>Open</u>
12:45-1:45 p.m.	Technology and Security Committee Meeting — <u>Open</u>
2:30-3:30 p.m.	Finance and Audit Committee Meeting — <u>Open</u>
Thursday, August 12, 2021	
11:00 a.m.-1:00 p.m.	Member Representatives Committee Meeting — <u>Open</u>
2:00 p.m.-5:00 p.m.	Board of Trustees Meeting — <u>Open</u>

- Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey
- Human Resources and Staffing Update

- E-ISAC Operations Update
- ERO Enterprise Business Technology Projects Update
- ERO Enterprise Align Project Update

- Second Quarter Statement of Activities
- NERC and Regional Entity Proposed 2022 Business Plan and Budgets and Associated Assessments

- Future Meetings
- Schedule for MRC Officer and Sector Elections
- General Updates and Reports
 - Business Plan and Budget Input Group Update
 - Regulatory Update
- Policy and Discussion Items
 - Responses to the Board's Request for Policy Input
 - Implementation of ERO Policies, Procedures, and Programs for 2021/2022 Winter Energy Readiness
 - Additional Policy Discussion of Key Items from Board Committee Meetings
 - MRC Input and Advice on Board Agenda Items and Accompanying Materials

- **Technical Updates**
 - Update on FERC Reliability Matters
 - Risk Registry
 - Bulk Power System Situation Awareness Update

- Committee Membership and Charter Amendments
- Report on the August 11, 2021, Closed Meeting
- Board Committee Reports
 - Accept Second Quarter Statement of Activities
 - Approve NERC and Regional Entity 2022 Business Plans and Budgets and Associated Assessments
- Standards Quarterly Report and Actions
 - Adopt Project 2019-02 BES Cyber System Information Access Management
 - Approve Proposed Revisions to the NERC Rules of Procedure – Section 300, Appendices 3B and 3D
 - Standards Efficiency Review Update
 - Low Impact BES Cyber Asset and Supply Chain Update

- **Other Matters and Reports**
 - Discuss Policy Input and Member Representatives Committee Meeting
 - Accept 2021 State of Reliability Report
 - Accept 2021 ERO Reliability Risk Priorities Report
 - Semi-annual Review of the Achievements of ERO Enterprise Work Plan Priorities
 - 2021 ERO Enterprise Reliability Indicators
- **Committee, Forum, and Group Reports**



Questions and Answers

MEMORANDUM

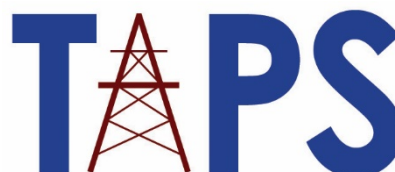
TO: Ken DeFontes, Chair
NERC Board of Trustees

FROM: Jack Cashin, Director, Policy Analysis and Reliability Standards, American Public Power Association
John Di Stasio, President, Large Public Power Council
Terry Huval, Executive Director, Transmission Access Policy Study Group

DATE: July 28, 2021

SUBJECT: Response to Request for Policy Input to NERC Board of Trustees

The American Public Power Association, Large Public Power Council, and Transmission Access Policy Study Group concur with the Policy Input submitted today by the State/Municipal and Transmission Dependent Utility Sectors of the Member Representatives Committee, in response to NERC Board Chair Ken DeFontes July 7, 2021 letter requesting policy input in advance of the August 2021 NERC Board of Trustees meetings.



NERC Board of Trustees Policy Input – Canadian Electricity Association

The Canadian Electricity Association (“CEA”) appreciates this opportunity to provide policy input to the NERC Member Representatives Committee (“MRC”) and Board of Trustees (“Board”).

Summary of Key Points:

- CEA supports NERC’s renewed focus on winter readiness, and does not offer additional suggested actions for NERC to take beyond what was described in the policy input letter.
- Regional realities must be taken into account for any NERC efforts, efforts should leverage work underway in different jurisdictions, and efforts should not add unnecessary administrative burden.
- There may be value in updating resources created following the 2011 Southwest Cold Weather Event to aid utilities in winter readiness.

Winter Readiness

Recent extreme weather events have underscored the importance of reliable and resilient electricity. They have also demonstrated the need, in many cases, for continuous adaption to ensure the grid remains reliable and resilient in the face of these events, a changing resource mix and new demands on the system.

The events also underscore the value of continued North American electricity cooperation and integration. For example, during the most recent winter weather events in the U.S., integration allowed Canadian electricity companies to help serve U.S. load. Multi-jurisdictional mutual assistance continues to be a hallmark of the electricity industry as well.

As such, CEA supports NERC’s renewed focus on winter readiness, and does not believe additional actions beyond what NERC has described should be taken at this time. CEA appreciates that other stakeholders facing unique winter readiness challenges may offer other suggested actions for consideration.

CEA stresses that regional realities need to be considered regarding any NERC efforts. CEA encourages NERC to leverage lessons learned from different jurisdictions, to ensure NERC efforts align where appropriate with local, state/provincial and regional efforts, and to ensure NERC efforts support utility preparedness and do not inadvertently create unnecessary administrative burden.

Finally, following the 2011 Southwest Cold Weather Event, NERC developed resources for utilities to address winter readiness, including a reliability guideline for generating unit winter readiness and cold weather training materials.¹ NERC may wish to work with industry/review this initiative to determine if there is value in updating these resources.

A Tailored Approach: The meaning of winter readiness may change according to region, and can depend also on circumstances and climate. For example, winter readiness or ‘extreme weather’ may have different connotations in northern Canadian provinces than it would in southern U.S. states. How winter affects different utilities, equipment and infrastructure varies among regions.

¹ <https://www.nerc.com/pa/rrm/ea/Pages/February-2011-Southwest-Cold-Weather-Event.aspx>

Some regions are experienced with extreme winter weather conditions, and have developed mature plans and processes to help ensure reliable service in these circumstances. In many cases in Canada, winter readiness is 'built in' to both equipment and planning.

That said, any efforts to establish or define winter readiness policy or criteria, especially in regard to demonstrating winter readiness, would have to be done in a careful way which reflects regional and utility realities. Care should be taken to avoid any prescriptive or highly specific criteria that should be met across all regions. For example, some CEA members do not put heaters on equipment as they are already designed for cold weather, and would want to avoid cases where this becomes a condition of 'winter readiness'.

If NERC becomes specific on criteria to meet, how companies prove they have considered winter weather without undergoing major changes should be considered.

CEA appreciates NERC's considerations of these issues.

Dated: July 28, 2021

Contact:

Francis Bradley
President & CEO
Canadian Electricity Association
Bradley@electricity.ca



Policy Input for the NERC Board of Trustees Provided by the Edison Electric Institute July 28, 2021

On behalf of our member companies, the Edison Electric Institute (EEI) appreciates the opportunity to provide the following policy input for the NERC Board of Trustees to review in advance of the August 11–12, 2021, meetings. EEI perspectives on bulk-power system (BPS) reliability are formed by our CEO Policy Committee on Reliability, Security, and Business Continuity and the Reliability Executive Advisory Committee with the support of the Reliability Technical Committee.

In the July 7, 2021, policy input letter, NERC Board of Trustees Chair, Kenneth W. DeFontes, Jr., seeks stakeholder input on preparations for the upcoming winter. EEI offers the following input.

I. SUMMARY OF COMMENTS

- EEI supports the various ERO Enterprise efforts underway to assist industry preparedness for the upcoming winter.
- NERC can provide technical analysis and support to further inform the development of solutions to address cold weather events.

II. COMMENTS

The Board of Trustees seeks policy input on what activities, if any, the ERO Enterprise should pursue in preparation for the upcoming winter and what additional steps should be taken by industry to address preparations for upcoming winter extreme events.

EEI understands the importance of generator preparedness and situational awareness during extreme cold weather and supports the various ERO Enterprise efforts to strengthen industry preparedness for the upcoming winter.

The transition of the generation portfolio to greater dependence on renewables backed-up by flexible synchronous generation across North America has resulted in a number of challenges that could benefit from further coordination between NERC and entities that have specialized knowledge and authority beyond NERC's jurisdiction. NERC can play an important role by providing historical context and technical analysis to further inform the

development of solutions to the following constraints which will require collaboration with market operators, federal and state policy makers, and natural gas pipelines:

- For the foreseeable future, natural gas fired generation will continue to make up a significant portion of flexible synchronous generation to support grid reliability.
- Natural gas suppliers do not currently have directives to ensure delivery of natural gas to electric generators. Directives, often defined by individual state requirements, currently prioritize delivery to residential customers and other segments of industry.
- Pricing signals provided by organized markets do not support existing fossil-fuel/nuclear generation and do not incentivize development of new non-renewable generation due to the challenges of cost recovery.
- Current market rules discourage market operators from starting peaking generators prior to the onset of extreme weather to ensure they are running. It is also worth noting that many peaking generators are older plants with low-capacity factors, meaning they may not have run for a significant period of time and thus require a longer ramp time during extreme cold.

Thank you for the opportunity to provide policy input.



Sector 8 Policy Input for the NERC Board of Trustees & Member Representatives Committee

August 11-12, 2021 Meetings

ELCON, on behalf of Large End-Use Consumers, submits the following policy input for the consideration of NERC's Board of Trustees (BOT) and the Member Representatives Committee (MRC). It responds to BOT Chair Ken Defontes, Jr.'s July 7, 2021 letter to Paul Chowdhury, Chair of the MRC.

SUMMARY

Large Consumers (Sector 8) support the efforts by the Federal Energy Regulatory Commission (FERC) and NERC regarding their joint inquiry into the February 2021 event that affected Texas and parts of the southern central United States.

- 1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?** Large Consumers ask that NERC: (1) consider the variance in costs and benefits of weather resilience practices across regions, (2) utilize a cost-benefit analysis to justify any new or modifications to existing policies, procedures, or programs, and (3) provide guidance on the incremental effect of weatherization on loss of load probability.
- 2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?** The private sector and large consumer community have every incentive to ensure the preparedness of our systems and are implementing regionally specific lessons learned to ensure cost-effective and reliable service.

ERO Enterprise Activities

NERC BOT Chair Ken DeFontes, Jr.'s July 7, 2021 letter highlights additional efforts that the ERO Enterprise proposes to undertake in order to evaluate industry preparedness for the upcoming 2021/2022 Winter season, given that new Cold Weather Mandatory Reliability Standards will not go into effect before the upcoming winter. Large Consumers agree that several regions in the U.S. could have more effectively managed the effects of the extreme winter weather conditions to the bulk electric system in the 2020/2021 Winter season that led to widespread, extended outages and other electric service interruptions. In order to ensure reliable service for the upcoming winter season, and better preparedness for extreme conditions, NERC has proposed to engage in industry outreach to provide guidance for cold weather preparedness. The ERO Enterprise proposals introduced in Chair DeFontes, Jr.'s letter appear reasonable, and we appreciate the opportunity to review and comment. One suggestion

is to ensure that targeted outreach manages to engage those entities and organizations that are not regularly engaged in the ERO process and activities. Registered Entities that do not regularly sit on committees or working groups would be a good target audience for Regional Entity outreach. A large percentage of Registered Entities are actively engaged and therefore fully aware of the need for preparation and the availability of NERC and Regional guidelines and assistance. It is most likely that the smaller population of Registered Entities who are not regularly engaged could benefit most from new and/or increased outreach efforts.

Large Consumers place a particularly high value on electric reliability and thus have a strong interest in mitigating service interruptions due to extreme and unprecedented weather conditions. Industry outreach to educate Registered Entities is a cost-effective and necessary means to mitigate service interruptions in the upcoming winter season until the recently approved Cold Weather Reliability Standards go into effect. However, in considering additional measures beyond what is laid out in the July 7 letter, the ERO Enterprise must consider costs and benefits to consumers and recognize that a one-size-fits-all solution or requirement could impose unnecessary costs that do little to address regional challenges.

First, the ERO Enterprise should consider the variance in costs and benefits of weather resilience practices across regions. For example, infrastructure in traditionally frigid areas may already have robust winter hardened infrastructure and cold weather preparedness procedures in place. As observed during the February 2021 winter storm, the locations where milder weather is the norm were unprepared to manage system failures and supply interruptions given the unprecedented extreme cold temperatures for an extended period. These areas will be most in need of awareness and best practices for extreme weather improvements as well as any other mitigation measures that the ERO Enterprise may determine necessary.

Second, recognizing that broad, uniform requirements fail to take into consideration regionally-tailored winterization procedures, the ERO Enterprise must also undertake a cost/benefit analysis to ensure that unnecessary costs are not imposed on consumers. Gold-plating infrastructure to harden the system against any and all potential weather interruptions would be costly and provide little benefit to consumers for a one in ten-year event.

Finally, the ERO Enterprise should analyze and provide information about the incremental effect of weatherization on loss of load probability to understand the benefits that they can compare against the cost of more robust weatherization. Such an analysis will help inform what measures are less costly than interrupted service and to what extent mitigation measures outweigh loss of load. Such information is vital for industry to understand the most cost-effective and beneficial hardening practices and procedures for reliability.

Additional Steps to be Taken by Industry

Winter preparedness (reliability and resilience measures generally) is most effective and economical when it derives from voluntary, risk-informed decisions by the private sector. Therefore, Large Consumers do not recommend additional industry requirements for winter preparedness. Rather, industry should employ lessons learned to their unique circumstances

Thank you for your consideration.

TO: Kenneth W. DeFontes, Jr., Chair
NERC Board of Trustees

FROM: Edison G. Elizeh
Federal Utility/Federal PMA Portion Sector 4

DATE: July 28, 2021

SUBJECT: Response to Request for Policy Input to NERC Board of Trustees

The Portion of Sector 4 representing the Federal Utilities and Federal Power Marketing Administrations (Federal PMAs), appreciate the opportunity to respond to your July 7, 2021 letter to Mr. Paul Choudhury, Chair NERC Member Representative Committee, requesting input on certain policy issues. The Federal PMAs appreciate the opportunity to provide comments on the policy input of particular interest to the NERC Board of Trustees (Board) for their August 2021 meeting.

- The Federal PMAs have no further input on Board and MRC's agenda. The items listed on draft agenda adequately represents the issues for the Board and MRC discussions and approvals.
- The Federal PMAs agree implementation of ERO policies, procedures, and planned programs for 2021/2022 Winter Energy Readiness in identifying and mitigating risks to the bulk power system are sufficient in heightening the necessary scrutiny needed for upcoming winter weather conditions.

The following are more specific responses to questions asked by the Board on the Policy Input Letter;

1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?

The Federal PMAs agree that the ERO's various policies, procedures, and programs to identify and mitigate risks to the bulk power system are sufficient to address the 2021/2022 winter season till the appropriate reliability standards EOP-011-2, IRO-010-4, and TOP-003-5 are approved by Federal Energy Regulatory Commission and are implemented.

The ERO Enterprise planned efforts to evaluate industry preparedness for the upcoming 2021/2022 Winter are appropriate actions in preparation for bulk power system operations.

2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?

The Federal PMAs do not have any additional steps at this point for preparation of upcoming winter over and above what the ERO Enterprise has planned for. The Federal PMAs would like to see a report, after the winter 2021/2022, assessing and evaluating areas of risks and vulnerability that the industry needs to factor in for the future cold or heat wave events. This assessment report should also cover effectiveness of the current policies, procedures and standards, and possible changes needed to those policies, procedures and standards in order better assist the industry for preparation for future events.

The Federal PMA support the comments provided by the Canadian Utilities in Sector 4 and appreciate the opportunity to provide this policy input to the NERC Board of Trustees.



ISO/RTO Council's (IRC) Policy Input to Board of Trustees

July 21, 2021

The ISO/RTO Council¹ (IRC) appreciates the opportunity to respond to the Board's request for policy input. The IRC offers the following input to the Member Representatives Committee (MRC) in response to Mr. Paul Choudhury's letter dated July 7, 2021, regarding Activities related to winter reliability. The IRC provides the following comments and suggestions to address the two questions posed:

1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?
2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?

Summary:

The IRC applauds NERC's proposed activities for the ERO Enterprise supporting preparation for the upcoming winter. The IRC also looks forward to NERC and FERC's publishing the results of their joint inquiry into 2021 Cold Weather Grid Operations as a basis for additional action for industry to consider taking to prepare for extreme events. NERC's proposed actions build on the *Draft 2021 ERO Reliability Risk Priorities Report* (June 2021) and the IRC respectfully suggests the ERO Enterprise consider several additional steps to supplement its proposed plan for the upcoming winter:

1. **Promote implementation of NERC-approved Standards and Reliability Guidelines.** NERC can promote Registered Entities undertaking practices in advance of Winter 2021/22 that are laid out in the NERC-approved Reliability Standards (IRO-010-4, TOP-003-5 and EOP-011-2) currently pending before the Commission. Issue Alerts to assess degree/pace of adoption. NERC can also promote recently released *Gas and Electrical Operational Coordination Considerations Reliability Guideline*
2. **In 2021-22 Winter Reliability Assessment, identify where inter-Regional support is most important.**
3. **Communicate with NARUC and Provincial authorities to raise awareness about how for the Bulk Power System (BPS), the "evolving resource mix [is] evolving to be more sensitive to certain extreme events" and limited scope of traditional resource adequacy assessments do not fully account for system characteristics associated with widespread extreme events on the BPS.** There is an opportunity for NERC to highlight the actions it and industry are taking to protect BPS reliability and what actions to prepare and respond to extreme events would be outside its jurisdiction. As extreme events stressing the BPS become more prevalent, there will be increased emphasis on NERC registered entities *along with* distribution companies and governmental authorities coordinating, communicating and taking action to respond and

¹ The IRC is comprised of the Alberta Electric System Operator (AESO), the California Independent System Operator Corporation (California ISO), Electric Reliability Council of Texas, Inc. (ERCOT), the Independent Electricity System Operator of Ontario, Inc., (IESO), ISO New England, Inc. (ISO-NE), Midcontinent Independent System Operator, Inc., (MISO), New York Independent System Operator, Inc. (NYISO), PJM Interconnection, L.L.C. (PJM), and Southwest Power Pool, Inc. (SPP).



recover to such events. With extreme events raising the possibility of load shedding to protect the BPS, there is increased importance on distribution companies being prepared to initiate and pre-determine where they have the ability to rotate outages in real-time in order to minimize impact on end users as there may be insufficient energy resource or transmission capacity in the operational timeframe. In line with its long-term focus on strengthening engagement across the reliability and security ecosystem in North America, NERC is well positioned to increase winter preparedness through highlighting the interrelationship between its activities and the role of other entities in supporting the delivery of electricity to end users during stressed system conditions.

- 4. Through NERC's Energy Reliability Assessment Task Force, Continue to promote the importance of assessing the operational risks and fuel supply interdependencies associated with extreme events.** The scope of that Task Force – “assessing risks associated with all types of resources, including unassured energy supplies, including the timing and inconsistent output from variable renewable energy resources, fuel location, and volatility in forecasted load” – is well suited to addressing the types of matters presented by the questions the ERO is raising about 2021/22 Winter Preparedness.

Discussion:

The IRC supports the Cold Weather Reliability Standards and is aware they will not be effective in time for the next winter season. We support the objectives embodied in the changes to the IRO-010-4, TOP-003-5 and EOP-011-2 standards to improve winter preparedness. The additional requirements that have been supported by industry are effective ways to prepare for the next extreme cold event and can be implemented by many entities before the winter. Absent enforceability of these requirements this winter, we believe NERC can provide guidance on how entities can meet the objectives of those Reliability Standards – at a minimum on a voluntary basis and as soon as permissible. Although there may not be 100% implementation of all the new requirements, all impacted registered entities should be informed of the new requirements and encouraged to implement as many parts as feasible prior to the winter. NERC can issue Alerts for each of these Reliability standards that provides information of how entities can take expedited actions.

NERC can also in the 2021-2022 Winter Reliability Assessment, identify where transfer capability is most limited between Regions and provide a plan on how additional transfer capability can be coordinated if the neighboring Region or Reliability Coordinator area is in need of replacement energy.

Improved coordination between the electric and gas industry continues to be a significant contributor to grid reliability risk during extreme weather conditions. NERC's recently released *Gas and Electrical Operational Coordination Considerations* Reliability Guideline should be a focus of a webinar or workshop as part of the ERO's Winter Weather Preparedness Outreach and Industry Engagement. NERC should encourage industry participants and stakeholders to implement as many of the Guideline's mechanisms and recommendations as possible prior to the 2021-2022 winter. More importantly, however, is the need to engage in the longer-term activities with the gas industry that will result in meaningful and actionable coordination improvements.

Registered entities routinely plan for emergency situations, and NERC bringing greater focus on understanding the potential operational impacts of extreme weather will help in this planning. The NERC Reliability Standards recognize that one of the least desirable – but yet most important -- actions registered entities need to be prepared to take to protect BPS reliability is shedding load. The RISC has further recognized that one of the



important resiliency constructs is “rapid recovery” – the capacity to get things back to normal as quickly as possible after a disaster in a coordinated and controlled manner and taking into consideration the extent of the damage. Carefully drafted contingency plans, competent emergency operations, and the means to get the right people and resources to the right places are crucial. While System Operators and NERC registered entities prepare to take many measures before shedding load as part of their emergency operations, in the event that load shedding is required, one important element to achieving rapid recovery is for the entities with direct control over distribution load to be prepared to rotate the load shed. Absent sufficient resource adequacy and distribution operators being prepared to implement rotating outages, load shedding can be more disruptive and instituted for a longer time frame in congested areas with limited resources than would otherwise be the case. Likewise, where there are limited supply resources available to serve a load pocket and load shed is limited (or prioritized) to include certain distribution circuits only, there may not be any options to rotate outages because distribution providers will not shed critical load circuits. When that is the case, the distribution circuits identified as available for load shed will experience longer duration outages because they must bear the brunt of the outage when no other options are available to share in the load shed event. As part of its outreach on the evolving resource mix and extreme weather, NERC can highlight this dynamic to NARUC and Provincial Authorities and provider partnership and expertise to revisit resource adequacy concepts, modeling methods, operating practices, and the data that are needed for reliable planning both on generation and transmission. Improved modeling, with realistic assumptions, of the rapidly transforming grid would support planning (including resource adequacy decisions) and operations, including rapid recovery.

Conclusion

The IRC appreciates NERC’s proactive approach to evaluating and improving the industry’s readiness for the upcoming 2021/2022 winter and we encourage the NERC Board to consider the IRC recommendations to further mitigate and reduce the risk to reliability during extreme weather events.



**Policy Input to the NERC Board of Trustees
August 12, 2021 Teleconference
Provided by the North American Generator Forum**

The North American Generator Forum (NAGF) appreciates the opportunity to provide policy input for the NERC Member Representatives Committee (“MRC”) and Board of Trustees (“Board”) in response to BOT Chair Kenneth W. De Fontes, Jr. letter dated July 7, 2021. The NAGF provides the following policy input in advance of the NERC BOT meeting.

Summary

Item 1: What other activities if any, should the ERO Enterprise pursue in preparation for the upcoming winter?

The NAGF supports NERC’s efforts to engage industry to evaluate preparedness for the upcoming 2021/2022 Winter. Due to the short timeframe prior to the 2021/2022 Winter period, additional activities beyond those already in place may be limited. However, the NAGF has identified a number of activities below for NERC and industry to consider implementing prior to the 2021/2022 Winter period.

Item 2: What additional steps should be taken by industry to address preparations for the upcoming winter extreme events?

The NAGF believes that the future is now for ensuring energy reliability/resilience for upcoming and future winter extreme events. Thinking outside the box and making tough decisions will be required to ensure BPS reliability and resilience for future winter extreme events. The NAGF has identified a couple of long-term activities below for NERC and industry to consider.

Discussion

The Board requests MRC policy input on the following:

- 1. What other activities if any, should the ERO Enterprise pursue in preparation for the upcoming winter?**

The NAGF supports NERC’s efforts to engage industry to evaluate preparedness

for the upcoming 2021/2022 Winter. However, due to the short timeframe until the 2021/2022 Winter, additional activities beyond those already in place are limited. The transition of the generation portfolio to greater dependence on renewables backed-up by flexible synchronous generation across North America has exposed a number of issues:

- For the foreseeable future, the back-up flexible synchronous generation will be natural gas fired generation.
- Natural gas suppliers do not currently have directives to ensure delivery of natural gas to electric generators. Directives currently prioritize delivery to residential customers and other segments of industry.
- NERC has no authority over the natural gas supply companies.
- Pricing signals provided by organized markets do not support existing fossil-fuel/nuclear generation and do not incentivize development of new non-renewable generation due to the lack of cost recovery.
- Current market rules discourage market operators from starting peaking generators early to ensure they are running before the extreme weather hits. Note that many peaking generators are older plants with low capacity factors, meaning they may not have run in months prior to being asked to start during extreme cold.

Based on these issues, the NAGF proposes NERC work with governmental authorities and the RTOs/ISOs to implement the following short-term activities prior to the 2021/2022 Winter:

- Delay any planned generation facility retirements across North America until after the 2021-2022 Winter period.
- Work with natural gas pipelines/companies to put in place rules specifically for 2021-2022 Winter to ensure fuel is available/allocated for electric generators.
- Put in place mechanism(s) to temporarily suspend emission limits during severe cold weather events.
- Put rules in place to require TOPs, RCs, BAs, and ISOs/RTOs to start thermal facilities with low capacity factors (i.e. those that do not run often) in advance of known upcoming cold weather events.
- Require the “Identification of essential fuel supply infrastructure that shall not be subject to load shedding, including natural gas pipeline compressor stations, LNG storage plants, natural gas processing plants, natural gas field wellhead compressors and other critical gas system components.” This verbiage is drawn from NERC’s Reliability Guideline Gas and Electrical Operational Coordination Considerations (see p.4, https://www.nerc.com/comm/OC_Reliability_Guidelines_DL/Gas_and_Electrical_Operational_Coordination_Considerations_20171213.pdf)

2. What additional steps should be taken by industry to address preparations for the upcoming winter extreme events?

The NAGF provides the following recommendations to be taken by industry to address for future winter events:

- Revise the NERC future strategic plan to focus on resilience and

coordination with natural gas pipelines/companies.

- NERC to work with natural gas pipelines/companies to put in place long-term rules to ensure fuel is allocated for electric generators, not just certain industry and residential customers.
- Recommendations identified in the above responses to Question #1 that extend beyond the upcoming 2021/2022 Winter.



NORTHEAST POWER COORDINATING COUNCIL, INC.
1040 AVE. OF THE AMERICAS, NEW YORK, NY 10018 (212) 840-1070 FAX (212) 302-2782

NPCC Board of Directors Policy Input From a Northeastern North American Reliability Perspective

1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?

- NPCC recommends NERC refine the distinction between “cold winter weather” and “extreme winter weather” (for example – event duration, extreme temperature, wide-area weather systems with Regional impacts) with consideration for the associated fuel availability (such as gas, wind, solar, oil replenishments, etc.) to help the industry respond to the proposed Level 2 NERC Alert.
- NPCC recommends the timely dissemination of the recommendations from the FERC, NERC Joint Inquiry into 2021 Cold Weather Grid Operations, when available.
- NPCC supports the ERO Enterprise proposed winter cold weather emergency preparedness activities that reach out to a wide audience consisting of stakeholders, regulatory/governmental authorities and the public.
- NPCC recommends outreach to other related groups/organizations (such as the Interstate Natural Gas Association of America – representing the natural gas transmission pipeline companies in the U.S. and Canada) regarding their related winter preparedness and customer educational activities.
- NPCC recommends the ERO Enterprise foster development of technical resource tools that incorporate geographic and climate considerations so that each region or area can assess, identify, design, and implement processes to prepare for and manage extreme weather respective regions.

2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?

- NPCC encourages the gas and electric industry to identify and share their existing cold winter weather preparation plans, activities and requirements (including any related safety codes) in order for the ERO Enterprise to identify and document “best practices” prior to the winter season, while also considering their different system configurations, regulations, needs, and drivers.
- NPCC recommends that the electric industry consider incorporating extreme weather scenarios (based on their specific geographical location) into their related training programs and activities.
- NPCC recommends the ERO Enterprise, with the assistance of those with the required expertise (such as the National Oceanic and Atmospheric Administration and Environment Canada) probabilistically assess the nature and occurrence of extreme weather-based events to provide information and data that would enhance the electric industry’s ability to effectively mitigate such events.

*As Submitted to NERC on July 27, 2021
NERC MRC and BOT August 11-12, 2021 Meetings*

Cooperative Sector Policy Input to the NERC Board of Trustees

The Cooperative Sector appreciates the opportunity to provide policy input to the NERC Board of Trustees (BOT) regarding Implementation of ERO Policies, Procedures, and Programs for 2021/2022 Winter Energy Readiness.

Summary of Policy Input

The Cooperative Sector acknowledges that NERC is proposing a comprehensive set of beneficial actions to prepare for the 2021/2022 Winter. The willingness to assist and form partnerships with industry stakeholders to enhance the reliability of the Bulk Electric System (BES) is well received by the Cooperative Sector. As the ERO considers the actions presented, it should also be recognized, that for most utilities, especially those associated with an RTO/ISO, any activities required for preparedness including weatherization for this upcoming winter have already been planned and will likely be executed by late summer or early fall.

Comments on efforts to evaluate industry preparedness for the upcoming 2021/2022 Winter

1. Winter Weather Preparedness Outreach and Industry Engagement
 - The Cooperative Sector supports the proposed outreach efforts and recommends that these activities occur in early Fall 2021 to allow enough time for industry to make appropriate adjustments to existing winter preparedness plans.
2. Registered Entity On-site/Virtual Engagement
 - The Cooperative Sector believes that Registered Entity On-site/Virtual Engagement opportunities are a beneficial exercise that can provide valuable results if the engagements are focused on supporting registered entities with winter preparedness.
 - The ERO must establish guidelines/agenda for these engagements with input from the MRC. Entities need to be assured of the procedures for such reviews before they are performed. Items that might be considered are for review are an inventory of critical infrastructure assets (generators, transmission, pipelines, wellheads, compressors, rail...) and loads for each region that can be used to prioritize on-site or virtual visits with their registered entities to better understand the extent of the condition for preparedness for the upcoming winter.
 - Clarification is requested on whether participation in these engagements will be mandatory. If participation is mandatory, the Cooperative Sector suggest that such engagements would, optimally, be focused on entities actions/planning that are established prior to the engagement. More information on NERC's underlying authority and the focus and procedure for these activities as well as the due process measures available to entities that would be subject to such reviews.
3. Level 2 NERC Alert

- The Cooperative Sector supports the issuance of a Level 2 Alert. The responses to the alert will provide valuable information to support the outreach activities being proposed by the ERO.
 - The NERC Alert needs to be well defined. In the past, some NERC alerts that were not well defined and/or required more clarification after issuance for the applicable registered entities to respond which created confusion in the industry.
 - NERC should seek technical input/comments from various industry stakeholder groups (examples: RISC, RSTC) on the proposed NERC alert before it is issued. Also, the technical review should include some power plant/operation/transmission SME volunteers to provide the comments.
 - Collected data should be compiled on a Region and Sub-region level and the general risk profiles should account for the diverse climates and different levels of preparedness activities across North America.
 - A small subset of the Cooperative Sector had an opportunity to review the proposed Cold Weather Preparations for Extreme Weather Events Level 2 Alert that was shared with NRECA on July 21, 2021. The data requested in the alert appears overly burdensome due to the complexity and number questions. The alert should focus on a narrow category of reliability risks that have been observed during previous extreme winter events. The goal of this data collection must be to identify executable actions that can be implemented prior to the upcoming winter. Specific recommendations/comments for improvement to the proposed alert document will be provided directly to NERC.
4. Compliance Monitoring and Enforcement Program (CMEP) Practice Guide
- The Cooperative Sector believes CMEP Practice Guides can provide helpful information for Registered Entities for how CMEP staff executes compliance monitoring and enforcement activities for a specific FERC approved Reliability Standard. The ERO cannot prematurely assess compliance with Cold Weather standards before those standards are effective. It is noted that NERC is proposing to include proactive recommendations to registered entities. The inclusion of that type of material is an inappropriate expansion of the scope for CMEP Practice Guides.
 - The intended scope of the proposed CMEP Practice Guide is not consistent with the documented purpose of CMEP Practice Guides and should be either pared down to meet the intent and purpose of CMEP Practice Guides or the proposed additional content should be shifted to a more appropriate vehicle, such as those suggested in items 1, 3, and 5, or both.
5. 2021/2022 Winter Reliability Assessment
- The Cooperative Sector continues to support the existing seasonal Reliability assessment process. The results of the 2021/2022 Winter Reliability Assessment should be an important input to provide direction for the readiness efforts under consideration. There are concerns that the typical November release of results does not align with the other actions being considered by the ERO nor will it provide adequate time for review and mitigation of any identified risks.

Responses to the specific questions asked by the NERC Board

1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?
 - The Cooperative Sector believes the activities listed above should provide the ERO Enterprise with adequate assurance that registered entities are prepared for the upcoming winter weather and suggests that NERC keeps focus on Regional Entity coordination to account for differences within each Region's footprint.
 - In weather emergencies (not local but affecting regions), it would be helpful if the ERO can work with the federal agencies to provide a temporary waiver(s) on filing the necessary documents till after the storm has passed. Industry focus should be on providing reliable service during the event. Having to assign personnel (who could be assisting in operation) to document load loss reporting and other requirements during the storm does impact reliability. It is understandable that FERC/DOE/NERC wants these reports to know the system conditions, but it is a burden on the utilities who are focused on keeping the lights on.
 - The Cooperative Sector suggests that the ERO share identified winterization risks where appropriate including any known assets that have a history of failing or experiencing issues during extreme events when conducting industry outreach or in upcoming published reports. This type of information can be helpful to owners and operators of BES assets in evaluating and planning for extreme weather events as well as in developing best practices to manage such events.
2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?
 - Cooperatives provide the following as examples of industry actions that can be considered in any internal risk assessment to address preparations for upcoming winter extreme events.
 - Generator Owners and Balancing Authorities can review plans for retirement of existing generation, particularly coal and dual fuel units, and determine the potential effect on reliability during extreme weather events.
 - Generator Owners and market operators should identify generating units designed with dual fuel capability which have abandoned their ability to fire back-up fuels due to equipment concerns, permitting issues, environmental risks or lack of adequate price signals from the market. Could grid reliability under extreme weather events be improved if generator owners were incentivized to restore dual fuel capability on these units?
 - Reliability Coordinators can work with the Generator Owners to identify generating units with black start capability which are not registered as black start units due to CIP concerns or lack of appropriate pricing signals. Could grid reliability under extreme weather events be improved if generator owners were incentivized to retain black start capability on non-black start registered units?

- Reliability Coordinators can conduct an evaluation of regional weather forecast and coordinate the development of regional solutions to address reliability concerns.
- Generator Owners that have had cold-weather failures of generating equipment should demonstrate that they have performed a root cause analysis and implemented appropriate remediation. Further, there should also be some query regarding maintenance practices through the pandemic. Was any maintenance deferred because of the pandemic that could impact performance?
- The industry should work with the ERO to implement the gas-electric coordination recommendations from the NERC 2021 ERO Reliability Risk Priorities Report developed by the Reliability Issues Steering Committee (RISC). In addition, the industry may find the recently published NERC Reliability Guideline: Natural Gas and Electrical Operational Coordination Considerations report as a helpful resource when developing individual utility coordination plans.

The Cooperative Sector offers its support to the ERO to execute this aggressive plan to help the industry and other relevant stakeholders to prepare for the 2021/2022 Winter.

Submitted on behalf of the Cooperative Sector by:

Patti Metro

Senior Grid Operations & Reliability Director

Business & Technology Strategies | National Rural Electric Cooperative Association

m: 571.334.8890

email: patti.metro@nreca.coop

NERC Board of Trustees
Teleconference
August 12, 2021
Policy Input of the Merchant Electricity Generator Sector

Sector 6, Merchant Electricity Generator Sector, takes this opportunity to provide policy input in advance of the upcoming North American Electric Reliability Corporation (NERC) Member Representatives Committee (MRC) and Board of Trustees (Board) meetings.

In a letter to MRC Chair Paul Choudhury dated July 7, 2021, Board Chair Kenneth DeFontes requested MRC input asking if the ERO Policies, Procedures, and Programs to evaluate readiness for the 2021/2022 Winter are sufficient or if additional steps must be taken. Sector 6 makes the following comments in response.

Key Point

- The Merchant Electricity Generators support the input provided by the North American Generator Forum that includes additional operational items to consider to improve resilience for the upcoming winter. While these items may not be jurisdictional to NERC, we feel NERC can raise awareness and support for these short-term activities while long-term solutions are being developed throughout the industry.

Sincerely,
/s/

Sector 6 Merchant Electricity Generator Representatives:

Martin Sidor
NRG Energy, Inc.

Sean Cavote
PSEG

MEMORANDUM

TO: Kenneth W. DeFontes, Chair NERC Board of Trustees

FROM: Mike Moody and Darryl Lawrence – MRC Sector 9 Small End-Use Electricity Customer Representatives

DATE: July 28, 2021

SUBJECT: Small End-Use Sector (9) Response to Request for Policy Input to the NERC Board of Trustees

The representatives to the NERC Member Representatives Committee for the Small End-Use Customer Sector (9) appreciate the opportunity to provide these comments in response to the request in your letter to Mr. Paul Choudhury dated July 7, 2021.

The NERC Board of Trustees requested MRC sector policy input on the following questions regarding the potential additional activities NERC should consider prior to this coming winter.

The Small End-Use Sector (9) responds to the BoT's questions as follows:

1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?

Sector (9) response: In addition to listed activity #3 regarding a Level #2 Alert, NERC should consider having registered entities prepare an emergency response plan detailing how they intend to respond to various emergencies including cold and hot weather. This will compel the industry to consider and plan for a broad range of emergency outcomes that they could face.

2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?

Sector (9) response: Sector 9 has no additional suggestions other than to make earlier seasonal pronouncements regarding reliability risks. Releasing seasonal assessments just before the beginning of (typically one month or less) a given season does not allow much time for preparation. A longer-term view needs to be implemented.

General Comment

The cold weather-related modifications to three standards have taken too long to be developed and will come too late as demonstrated in 2020. The process for such changes

should be accelerated in the interest of electricity consumers. The BoT should engage in some introspection and reach its own conclusions as to whether the inertia of the NERC standards development process is so great that it can never be timely. Conclusions in this regard already have been reached in the Physical and cyber-Security area. The events of 2020 and 2021 demonstrate that the promulgations of mandatory changes take much too long for certain types of transitions in the Operations and Planning area also.

MEMORANDUM

TO: Ken DeFontes, Chair
NERC Board of Trustees

FROM: William J. Gallagher
John Haarlow
Terry Huval
John Twitty

DATE: July 28, 2021

SUBJECT: Response to Request for Policy Input to NERC Board of Trustees

The Sector 2 and 5 members of the NERC Member Representatives Committee (MRC), representing State/Municipal and Transmission Dependent Utilities (SM-TDUs), appreciate the opportunity to respond to your July 7, 2021 letter to MRC Chair Paul Choudhury requesting MRC member sectors to provide input on implementation of ERO policies, procedures and programs for 2021/2022 Winter readiness. Specifically, the Board asks: (1) are there other activities that the ERO can pursue for the upcoming winter and (2) are there further steps that can be taken by industry? We look forward to discussing the policy input and other agenda items during the virtual meetings of the Board of Trustees (Board), Board committees, and the MRC, on August 11-12, 2021.

Summary of Comments

- **The SM-TDUs generally support ERO efforts to better ensure winter readiness.**
 - **The efforts the ERO plans on pursuing to evaluate industry preparedness for the 2021/2022 winter appear to be adequate, although SM-TDUs believe the proposed CMEP practice guide is unnecessary and premature given that the Cold Weather Reliability Standards have not yet gone into effect.**
 - **The ERO's proposed evaluations of winter readiness should not prematurely incorporate pending standards or inquiries.**
 - **The ERO should consider the impact that existing and pending state actions can have on winter readiness. Coordination with the natural gas industry should also play a role in the ERO's winter readiness evaluation.**

The SM-TDUs appreciate and generally support the ERO's important efforts to evaluate and encourage industry preparedness to ensure reliability as we approach the 2021/22 winter. As highlighted above, however, the SM-TDUs believe that the ERO's proposed evaluations of industry preparedness should be based on existing criteria and should not prematurely incorporate pending standards or outstanding inquiries, particularly the Cold Weather Reliability Standards and the results of the joint NERC-FERC inquiry into the February 2021 arctic weather event, which, as the Board's policy input letter appropriately acknowledges, both remain pending.

Below the SM-TDUs respond to the Board’s specific questions. We also highlight some additional issues for consideration regarding the five industry preparedness evaluation efforts listed in the policy input letter.

1. What other activities, if any, should the ERO Enterprise pursue in preparation for the upcoming winter?

The evaluation efforts listed in the policy input letter are likely to provide valuable and important information regarding the industry’s preparedness for extreme winter weather, and, with one exception noted below, the SM-TDUs do not have any specific additional activities to suggest at this time. As a general matter, the SM-TDUs believe that it would be premature for the ERO to pursue additional activities beyond those enumerated in the letter, particularly given the pendency of the FERC-NERC inquiry into the February arctic weather event. That inquiry is likely to produce recommendations that NERC may need to implement or otherwise address, and the SM-TDUs believe it could be inefficient – or even counterproductive – to undertake additional cold weather preparedness activities without the benefit of the analysis and recommendations likely to be included in the inquiry report.

Notwithstanding this general concern about undertaking additional preparedness measures at this time, one further activity the ERO could consider pursuing is further collaboration or coordination with the natural gas industry. While the ERO and industry await the joint inquiry report, we encourage the ERO to determine what winterization efforts are occurring within the natural gas industry that could potentially impact electric reliability for the 2021/22 winter. There may be additional opportunities to talk with the gas industry that could inform the ERO’s efforts to evaluate electric industry preparedness.

2. What additional steps should be taken by industry to address preparations for upcoming winter extreme events?

Registered entities in some parts of the country are taking additional steps in accordance with local and state regulation. In line with the answer to the Board’s first question the SM-TDUs believe it is premature to recommend additional steps industry should take given that many local and state jurisdictions either have recently made or are in the process of making winter preparedness changes. Importantly, the focus and impact of these various state and local initiatives will appropriately vary by region. Southern states, such as Texas, are implementing new reliability measures based on winter 2021 impacts. Northern states, on the other hand, are maintaining long-held parameters for winter preparedness. We encourage NERC to monitor state and regional winter preparedness efforts and identify reliability measures/standards that states are adopting to avoid duplicative or conflicting standards at the national level.

Below are some additional specific comments on the five ERO efforts to evaluate industry preparedness.

Winter Weather Preparedness Outreach and Industry Engagement

The SM-TDUs strongly support and appreciate that NERC is planning webinars and workshops that will focus on cold weather preparedness. Consistent with our answer to the Board’s

second question, we would recommend that these webinars be regionally based, but not necessarily based specifically on NERC regions. For example, a workshop for WECC's Southern utilities is likely to differ significantly from those for WECC utilities in the North. Similarly, SERC Midwestern utilities face different winter circumstances from Florida SERC utilities.

Registered Entity On-site/Virtual Engagement and Compliance Monitoring and Enforcement Program Practice Guide

SM-TDUs certainly have no objection to NERC CMEP staff using engagements with registered entities to better understand how registered entities are preparing for winter weather. Preparedness and practices will vary by region, and familiarizing CMEP staff with these regional efforts will be valuable.

SM-TDUs are concerned, however, with the proposal to develop a CMEP practice guide regarding cold weather preparedness. The purpose of Practice Guides is to provide CMEP staff direction for consistent implementation of standards. The Cold Weather Reliability Standards have not yet been approved, nor has the FERC-NERC joint inquiry report been completed. Consequently, there is no standard on which consistent implementation or CMEP staff direction can be developed. The on-site and virtual engagements by CMEP staff should be sufficient to review industry winter preparedness. The SM-TDUs believe development of a practice guide at this time is unnecessary and could be inefficient use of resources given that the Cold Weather Reliability Standards remain pending. SM-TDUs would be concerned that CMEP staff might treat such a practice guide as implementation guidance for the yet-to-be-approved Cold Weather Reliability Standards, with the potential that staff may promote practices that are not required under an approved standard. The SM-TDUs also are concerned that a practice guide at this juncture might even be perceived as a Standard Authorization Request to modify a standard that has not even been approved.

SM-TDUs believe the on-site and virtual engagements with registered entities should provide NERC with enough information to inform registered entities, CMEP staff and the ERO enterprise more broadly on registered entities' winterization practices, and SM-TDUs recommend against the development of the proposed CMEP Practice Guide.

Level 2 NERC Alert

Public power will be responding directly to the draft NERC Alert. Some points that we will ask NERC to consider are:

- The generator owner questions are directed at one registration type, yet the questions appear to be specifically directed at natural gas or other fossil fuel generators.
- The questions often do not account for regional differences with respect to winter weather risks and preparedness. Consequently, the "if, then" flow of the questions can be out of sync for far-north versus far-south utilities.

2021/2022 Winter Reliability Assessment

The 2021/2022 Winter Reliability Assessment will likely have the benefit of the FERC-NERC joint inquiry report and insights developed through the initial ERO staff engagements with registered entities. These resources should provide valuable information for the ERO to gauge potential risks to the BPS during the 2021/2022 winter. The additional focus on preparation, energy management planning and operation expectations should provide the ERO and industry sufficient information to analyze and identify any potential reliability gaps that still need to be addressed.

The SM-TDUs look forward to the MRC meeting discussion on Board questions and NERC's winter readiness efforts.