

Announcement

Four Interdependent Risks to BPS Reliability Identified in Reliability Risk Priorities Report

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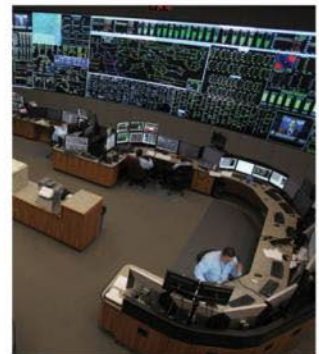
ATLANTA – NERC’s [2021 ERO Reliability Risk Priorities Report](#), a forward-looking view of imminent and projected risks to bulk power system (BPS) reliability, has identified four significant evolving and interdependent risks. The most significant, grid transformation, has broad implications as it can be a catalyst for additional changes, often amplifying the impact on reliability, resilience and security. The report also examines in detail the three additional risks: security; increased vulnerability due to extreme events — most recently related to weather and the pandemic; and critical infrastructure interdependencies, such as the ability to deliver natural gas to generating units supporting reliability, resilience and security of the BPS.

“The report provides a holistic view of the risk landscape facing the BPS now and in the future,” said Thomas Coleman, NERC’s chief technical advisor and liaison to the Reliability Issues Steering Committee (RISC), an advisory committee to NERC’s Board of Trustees. “It serves as a road map for the identification of key emerging risks and potential mitigating activities to address those risks.”

This report presents the results of the RISC’s efforts to strategically define and prioritize risks to BPS reliability. It also addresses recommendations that NERC, the ERO Enterprise and industry should take to enhance reliability, resilience and security to manage those risks.

Among the recommendations, the report considers the challenge to traditional methods of long-term planning, operational planning and real-time operations created by transforming generation resources. It highlights the importance of revisiting resource adequacy concepts, modeling methods, operating practices and the data that are needed for reliable planning both on generation and transmission.

In addition, the report addresses the marked increase in sophisticated attacks by nation-state, terrorist, and criminal organizations in recent years, many of which have the capacity to negatively impact the grid. Operational security is vulnerable to



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such exploits and is exacerbated by insider threats, poor cyber hygiene, supply chain considerations and dramatic transformation of the grid's operational and technological environment. The report offers multiple recommendations that rely largely on industry and government communication and the sharing of timely and actionable information related to cyber and physical security compromises.

NERC produces the *Reliability Risk Priorities Report* every two years. The report reflects the collective opinion and conclusions drawn from the RISC membership regarding present and emerging risks and their respective priorities. The RISC reviews and assembles information from ERO Enterprise stakeholders and policymakers and focuses on the evaluation of the current set of risk profiles with descriptors of the risks and recommended mitigating activities.

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



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