

Announcement

Collaboration, Coordination Key to Success in Addressing Risks

November 5, 2020

ATLANTA – NERC held its fourth quarter Board of Trustees meeting virtually, its third via videoconference due to the ongoing pandemic. Board Chair Roy Thilly commended NERC, the Regional Entities and industry for their commitment to reliability and security during this time of change and uncertainty, noting that while we changed how we worked, we are still collaborating successfully and rising to the challenge.

Opening remarks were made by Patricia Hoffman, principal deputy assistant secretary at the Department of Energy (DOE) Office of Electricity; and John McAvoy, chair and chief executive officer (CEO) of Consolidated Edison of New York, who is retiring at the end of the year.

Hoffman thanked NERC and the Electricity Information Sharing and Analysis Center (E-ISAC) for the continued collaboration with DOE on pandemic response activities. Reporting on the department's accomplishments and priorities, Hoffman discussed continued progress on the North American Energy Resilience Model, energy storage, protection of critical defense facilities and supporting resilience investments. There is important work ahead on addressing resilience matters and infrastructure protection capabilities, Hoffman noted, and she looks forward to continued collaboration between DOE and NERC on these topics.

Cyber security risk and the importance of collaboration, innovation and smart investment were key topics from McAvoy. Collaboration through the Electricity Subsector Coordinating Council (ESCC) with DOE, NERC and others has proven invaluable in helping industry strengthen its overall security posture, he said, stressing the need to stay ahead of adversary threats and make smart, risk-based investments in cyber security.

In his president's remarks, Jim Robb, NERC's president and CEO, noted that this month marks 55 years since the November 9, 1965 northeast blackout that left 30 million people without power for 13 hours.

"This event underscores the importance of international collaboration across North America. We have much to celebrate, but much yet to do as the challenges facing the grid continue to evolve. We must remain flexible in adapting to the changing environment around us — 2020 highlights our ability to do this and do it well," Robb said.

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The Board adopted Project 2019-03 – Cyber Security Supply Chain Risks, which adds electronic access control or monitoring systems (EACMS) to the supply chain requirements — specifically EACMS that provide electronic access control to high- and medium-impact Bulk Electric System (BES) Cyber Systems. In addition, physical access control systems (excluding alarming and logging) to high- and medium-impact BES Cyber Systems were added to the Supply Chain Standards. The project includes the following standards:

- CIP-005-7 Cyber Security Electronic Security Perimeter(s)
- CIP-010-4 Cyber Security Configuration Change Management and Vulnerability Assessments
- CIP-013-2 Cyber Security Supply Chain Risk Management

NERC will file the standards with FERC by the required filing deadline of December 26, 2020. The Board also approved the <u>2021–2023 Reliability Standards Development Plan</u>, which provides time frames and anticipated resources for each project under development or anticipated to begin by the end of the year.

Howard Gugel, vice president of Standards and Engineering, provided an update on multi-pronged efforts to address reliability risks related to cold weather. NERC has collected and shared information on preparation and bulk power system impacts since 2011 through webinars, special reports, lessons learned, failure modes and mechanisms and other resources. The "Generating Unit Winter Weather Readiness Reliability Guideline" is currently in the comment phase of its third tri-annual review and was discussed in the 2020 Winter Weather webinar.

"Cold weather preparation and performance continue to be an area of focus," Gugel said. "Lessons learned through recent winter operating events have shown that, while efforts have been effective, standards will need to be modified to address issues in communication and preparation."

A standards drafting team was appointed to begin work on Project 2019-06 – Cold Weather, which will address findings from the <u>2019 FERC and NERC Staff Report: The South Central United States Cold Weather Bulk Electric System Event of January 17, 2018</u>. The standard will be posted for comment in early 2021.

The Board received updates on the 2020/2021 Winter Reliability Assessment, which will be released next week; the 2020 Long-Term Reliability Assessment, scheduled for release in December; and the coordination process between the Reliability and Security Technical Committee and the Reliability Issues Steering Committee.

The Board also approved the 2021 ERO Enterprise work plan priorities, which identify key activities that will be tracked and reported on throughout the year and that align closely with the *ERO Enterprise Long-Term Strategy*.

"The work plan objectives set the table for the work to be performed in 2021," noted Mark Lauby, senior vice president and chief engineer. "These objectives address a transforming industry, while NERC remains nimble to take on any emerging risks that may present themselves during the year."

Board presentations are located on the Board of Trustees <u>agenda page</u> on NERC's website. The next Board meeting is February 4 and will take place virtually via WebEx.