

Announcement

Priority Placed on Efficiency, Effectiveness, Collaboration; NERC Appoints 2 New Vice Presidents

May 9, 2019

ST. LOUIS – NERC’s quarterly Board of Trustees meeting focused on efforts to strengthen the ERO Enterprise model and the efficient, effective and collaborative work supporting reliability and security of the North American grid. Board Chair Roy Thilly opened the meeting and welcomed industry members and guests, including Bernard McNamee, commissioner, Federal Energy Regulatory Commission; Bruce Walker, assistant secretary for the Office of Electricity, Department of Energy; and David Morton, CAMPUT representative to NERC.

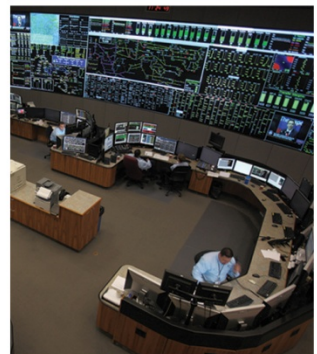
In his opening remarks, McNamee noted the importance of NERC’s role in assuring the reliability and fuel security of the bulk power system while working closely with FERC. He also stressed natural gas interdependency and security as vital issues for our continued focus. Walker agreed that gas interdependency is an important issue and one that DOE is looking at in the development of its North American resilience model, working with both FERC and NERC to complete this important task.

In his president’s report, NERC President and Chief Executive Officer Jim Robb noted that April marked the completion of his first year as CEO. He thanked industry, FERC, DOE and ERO Enterprise staff for their assistance in his seamless transition and highlighted the work being done across the ERO Enterprise to strengthen reliability and our partnerships.

“This year has been a real pivot point for the ERO Enterprise. We’ve had several leadership changes and have been able to focus our efforts on taking the model to the next level,” Robb said. “Although complex, the ERO model is brilliant and we — as the ERO Enterprise — are working hard to make it so. We are a collaborative organization with distinct roles between NERC and the Regional Entities. We recognize regional differences while striving to be consistent across the organization.”

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Robb outlined four key areas that the ERO will focus on in the coming year:

- The *E-ISAC Strategic Plan*
- Priority areas including western Reliability Coordinator functions, inverters, supply chain, electromagnetic pulse (EMP) and CIP standards refinements
- ERO effectiveness and efficiency, including the Standards Efficiency Review, the new Align compliance tool implementation and stakeholder engagement and committee structure
- Business plans and budgets

“A highly reliable and secure grid is NERC’s continuous mission,” Robb said. “Assuring these priorities supports the complex fabric of our society. We, as the ERO Enterprise, are part of that fabric.”

The Board announced the appointment of two new vice presidents to NERC’s officer team: **Howard Gugel**, vice president and director, Engineering and Standards; and **Mechelle Thomas**, vice president and chief compliance officer. The Board noted that with FERC’s recent approval of FRCC RE dissolution, this meeting would be **Stacy Dochoda’s** last meeting as the CEO of FRCC RE and thanked her for her dedication and work for the ERO Enterprise — first at SPP RE and later at FRCC RE.

The Board approved the [ERO Five-Year Performance Assessment \(2014–2018\)](#), which is required by federal regulation. NERC’s last performance assessment was in 2014. The assessment addresses the ERO Enterprise’s activities and accomplishments, Regional Entity oversight and stakeholder comments. Activities and accomplishments highlighted in the assessment include:

- **E-ISAC:** Increased focus on information sharing and analysis to respond to threats, vulnerabilities and incidents that could affect the bulk power system
- **Reliability Standards:** Developed Reliability Standards to address cyber security, physical security and planning risks to the bulk power system
- **Compliance Monitoring and Enforcement Program:** Analyzed trends in the incidence of noncompliance; increased communications regarding dispositions of noncompliance; and launched procedural efficiencies, namely the Align tool, in coordination with the Regional Entities

The Board also accepted NERC’s *Supply Chain Report*, which provides an assessment of products/manufacturers used on the Bulk Electric System (BES). The report, based on a report commissioned by NERC from the Electric Power Research Institute (EPRI), provides an analysis of best practices and standards in other industries to mitigate supply chain risks. The report concludes that the [supply chain standards](#) should be modified to include electronic and physical access controls for medium- and high-impact BES cyber systems.

The report also highlights the need for more data on low-impact BES cyber systems and outlines the need for guidelines, to be developed by the CIPC Supply Chain Working Group, on evaluating protected cyber assets and low-impact assets.

“This report provides recommended actions that NERC and industry can take to continue to address potential vulnerabilities that could be introduced in critical cyber assets that are used on the bulk power system,” Gugel said.

The Board received an update on NERC’s [Standards Efficiency Review](#), which focuses on ensuring NERC Reliability Standards appropriately address risks to the bulk power system. Industry proposed retirements of requirements, through the ballot process, that were duplicative, administrative or otherwise unnecessary for reliability. The Board adopted the retirement of 84 requirements, which includes the revision of several standards, and the withdrawal of a standard pending regulatory approval. This project is scheduled to be completed by the end of 2019.

In other action, the Board adopted two standards. **CIP-003-8 Cyber Security – Security Management Controls**, which was developed in response to FERC Order No. 843, mitigates the risk of malicious code to low-impact BES cyber systems. **IRO-002-6 – Reliability Coordination – Monitoring and Analysis** adds a variance for the WECC Region to ensure coordination between Reliability Coordinators within the Western Interconnection and requires those Reliability Coordinators to develop and use a common interconnection model for operations.

The Board also received an update on Reliability Coordinator activities in the Western Interconnection from Dave Godfrey, vice president of Reliability and Security Oversight at WECC. Godfrey highlighted the work done by NERC and WECC, including the new IRO-002-6 standard that requires interconnection-wide methodology for modeling and monitoring, to ensure seamless function across multiple Reliability Coordinators.

Other Reliability Coordinator transition activities include a Seams Summit in March; quarterly WECC Reliability Coordinator forums; the creation of the [WECC Reliability Coordinator certification site](#); and industry transition coordination groups, which provide stakeholders the opportunity to discuss any Reliability Coordinator issues.

During the Member Representatives Committee meeting on May 8, NERC announced the launch of an EMP task force. The task force was created in response to EPRI’s recent EMP report, which provided technical insight, defined EMP threat, assessed vulnerabilities and risks and recommended mitigation actions. The task force, whose first meeting is scheduled for this month, will:

- Identify and address EMP reliability concerns;
- Perform a detailed review of the EPRI report;
- Identify key areas of concerns and improvement;
- Submit best practices and reliability guidelines, as needed; and
- Develop any needed Standards Authorization Requests.

Board presentations may be found by clicking [here](#). The next Board of Trustees meeting is August 15 in Quebec.