

Announcement

New Board Member Named, 2021 Budgets Approved, Annual Canadian Regulators Meeting Takes Place

August 20, 2020

ATLANTA – Due to ongoing pandemic conditions, NERC held its second virtual Board of Trustees meeting Thursday. Among key actions, the Board approved the 2021 Business Plans and Budgets for NERC and the Regional Entities and accepted the updated *E-ISAC Long-Term Strategy*. Prior to the meeting, the Board met with Canadian regulators and the Member Representatives Committee (MRC) elected a new member to the Board.

“This year has reminded us of how critical our mission is and how we must plan and manage the grid to be resilient against varying and extreme events. Fortunately, technology has enabled us to remain fully focused on the reliability and security of the grid during this pandemic. Working together, NERC and the Regional Entities, along with our registered entities and government partners have maintained close coordination, completed tasks and addressed challenges,” said Jim Robb, NERC’s president and chief executive officer, kicking off the meeting. “NERC was early on this watch, with the E-ISAC issuing an alert on COVID-19 in February, among [other guidance](#). And I believe regulatory discretion taken by the Federal Energy Regulatory Commission (FERC), NERC and the Regional Entities has proven helpful as we continue to monitor the ongoing crisis.”

Remarks were made by Francis Bradley, CEO, Canadian Electricity Association; Bernard McNamee, commissioner, FERC; Bruce Walker, assistant secretary, Department of Energy (DOE); and Alexander Gates, director of the Office of Cybersecurity, Energy Security and Emergency Response (CESER), DOE.

The North American border may be closed, Bradley pointed out, but our cross-border collaboration efforts remain strong and have made our management of the recent pandemic and extreme weather events successful. McNamee noted he has enjoyed working with NERC on reliability matters and praised NERC for “dealing with the facts,” as well as identifying the challenges and how to address them. He reflected on challenges related to the pandemic, stressing that the work of industry and the ERO Enterprise is making a demonstrated difference in navigating the crisis. He also emphasized a need to remain focused on supply chain as well as physical and cyber security protections in the face of rapidly evolving threats.

Walker and Gates acknowledged NERC and the E-ISAC’s extensive coordination with DOE’s activities related to the pandemic. Walker reviewed ongoing DOE activities, noting a new



CONTACT:
Kimberly.Mielcarek@nerc.net

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

large-scale grid storage project, work in support of the recent supply chain Executive Order and NERC's involvement in the North American Energy Resiliency Modeling System. Gates outlined a strategic review of the CESER office, which is focused on enhancing DOE's capabilities to provide unique insights into insidious threats facing the grid.

New Canadian Trustee and Canadian Regulators Meeting

The Board welcomed the newest trustee, **Jane Allen**, to NERC's Board. During the MRC meeting earlier in the day, Allen was selected to fill the Canadian trustee position previously held by David Goulding, who retired earlier this year. Allen served as senior vice president of Strategy and Innovation at Hydro One for almost three years. During her tenure, she developed new revenue streams, including an electric vehicle charging network and a behind-the-meter power generation offering for commercial and industrial customers. Previously, Allen spent more than 20 years at Deloitte Canada, where she was the partner in charge of the power and utilities management consulting practice and led the renewable energy practice worldwide.

On Tuesday, more than 25 utility regulators from eight Canadian provinces and Canada's federal government met with NERC's Board. David Morton, chair of International Affairs for CAMPUT, moderated the session. This meeting, which takes place each August, exchanged valuable information on activities and cross-border coordination supporting reliable operation of the interconnected grid during pandemic conditions. Session participants, including CEOs from NERC's Regional Entities covering Canada, also discussed the status of Reliability Standards and enforcement activities within the provinces and key efforts in the Regions.

2021 Budgets Approved

In its first order of business, the Board approved the 2021 NERC Business Plan and Budget, which had a slight increase of 0.2% with no increase in assessments compared to 2020. NERC's Business Plan and Budget focuses on several key areas including: building E-ISAC security capabilities; assessing and mitigating risks to reliability; expanding risk-based focus in standards and compliance monitoring; strengthening engagement across the North American ecosystem; and promoting effectiveness and efficiency.

"NERC worked to keep its budget flat given the extraordinary circumstances we are facing during this pandemic. We fully appreciate the challenges many of our registered entities are facing. We have deferred some efforts while keeping our focus on key initiatives," Robb said. "While we have adapted to a new normal, many challenges remain. We commit to addressing the challenges, including seeking future financial resources necessary to do the job."

NERC's Board also approved the 2021 Business Plans and Budgets for the Regional Entities, which were previously approved by their respective regional boards. The total ERO Enterprise (NERC and Regional Entities) combined 2021 budget increase from 2020 is 2.2% with an assessment increase of 0.6%.

The 2021 Business Plan and Budgets will be submitted to FERC for approval later this month. Throughout this planning process, significant input was received by stakeholders and industry representatives.

E-ISAC Long-Term Strategy Accepted

Manny Cancel, NERC senior vice president and E-ISAC chief executive officer, presented the updated *E-ISAC Long-Term Strategy* to the Board members, who accepted it. The focus areas remain unchanged from the initial strategy, Cancel said; however, refinements were made to achieve goals and priorities outlined within the plan and better address the needs of members, government partners and other stakeholders.

Some of the refinements include maximizing the effectiveness of existing resources and containing costs; recognizing the varying member service needs and importance of ongoing stakeholder guidance; driving value through strategic relationships; working with industry to mitigate operational technology risk; and evaluating considerations for extending services to the downstream natural gas sector.

Other Action

The Board approved two regional standards and received an update on supply chain activities, including progress of standards development for electronic access control and monitoring systems, physical access control systems and low-impact BES cyber assets, from Howard Gugel, vice president of Standards and Engineering,

Gugel also highlighted other efforts undertaken across the ERO Enterprise and by the Supply Chain Working Group and Task Force. These activities include two NERC alerts, partnerships with the North American Transmission Forum and DOE and numerous outreach engagements, including workshops hosted by SERC and ReliabilityFirst and webinars hosted by the Supply Chain Working Group.

“NERC remains fully committed to our focus on supply chain risk,” Gugel said. “As more information becomes available, we will continue to coordinate activities across the industry to mitigate known and emerging supply chain risks to the Bulk Electric System.”

Separately, the Board approved revisions to NERC’s bylaws in two primary areas: membership sectors and the criteria for an independent trustee. The membership revisions ensure sectors include entities with common reliability interests while creating a new associate sector for members of the public with an interest in NERC’s mission. For the NERC Board member independence requirements, the revisions more clearly focus the language on independence from entities subject to NERC’s Reliability Standards. A number of other technical revisions were also approved. The revisions will be submitted to FERC for approval.

Board presentations are located on the Board of Trustees [agenda page](#) on NERC’s website. The next Board meeting is November 5 and will take place via WebEx.

###

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.