

# NERC News

August 2020

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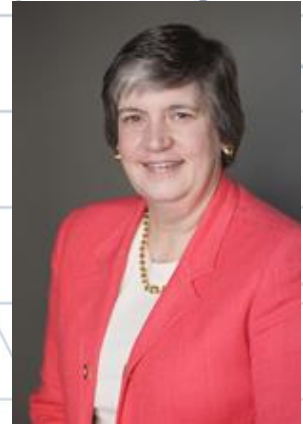
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## ERO Executive Spotlight – Janet Sena

### Canadian Regulator Dialogue Advances Collaboration

Fostering strong partnerships on both sides of United States-Canada border is a key part of NERC's mission — a responsibility that our Board of Trustees takes seriously. Last month, the Board held its annual summit with Canadian utility regulators in conjunction with August Board week activities. With presentations by both NERC and Canadian officials, discussions focused primarily on the reliability and security dimensions of the ongoing pandemic.



David Morton, chair and chief executive officer (CEO) of the British Columbia Utilities Commission and CAMPUT chair for International Affairs, moderated the session. The virtual format encouraged record-breaking participation, as attendance surpassed more than 25 representatives from eight provinces and the Canadian government.

Because the pandemic is a “people event,” participants found that managing continuity of operations remains the central priority for industry, regulators and government. In both Canada and the United States, industry has worked with government stakeholders to share needs for protective equipment and testing of critical workers, assess supply chain requirements, provide situational awareness of grid operations and discuss regulatory measures to help keep industry focused on managing the ongoing crisis. [Continued on page 2](#)

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## Canadian Regulator (cont'd)

Jim Robb, NERC's president and CEO, discussed the value of pandemic resource guides published by the North American Transmission Forum (NATF) and the Electricity Subsector Coordinating Council (ESCC), as well as NERC's own [Pandemic Preparedness and Operational Assessment](#).

Summit participants discussed regulatory responses to the pandemic, noting that the United States and the provinces each have separate and differing regulatory models. In order to keep industry focused on the pandemic and the most critical reliability functions, NERC and the Federal Energy Regulatory Commission (FERC) acted to suspend in-person compliance activities and effective dates for certain new standards requirements. Canadian participants reported largely comparable actions, reflecting a well-coordinated North American response across separate regulatory bodies.

Cyber security was another important topic. Discussions focused on monitoring malicious actor activities during the pandemic, heightened vigilance in industry and government and efforts by the Electricity Information Sharing and Analysis Center (E-ISAC) to support members throughout North America. Howard Gugel, NERC vice president of Standards and Engineering, and Darren Finkbeiner and Cristian Dragnea, representing the Canadian Monitoring and Enforcement subgroup, provided updates on standards adoption and compliance efforts in the United States and Canada. Participants also heard from the Sara Patrick, Midwest Reliability Organization (MRO) president and CEO; Melanie Frye, WECC president and CEO; and Ed Schwerdt, Northeast Power Coordinating Council (NPCC) president and CEO. Each provided an update of outreach and coordination efforts in their Regions that include both Canadian and U.S. registered entities.

NERC Board Chair Roy Thilly thanked regulators for their participation, noting the importance of Canadian perspectives to the Board's work. Thilly announced the appointment of Jane Allen, a new Canadian Board member, and highlighted Colleen Sidford's role as the

NERC Board member serving as the designated liaison for Canadian affairs. Sidford was instrumental in planning the summit and closed out the event with remarks stressing the value of engagement with the regulators.

As history has taught us, reliability requires close coordination across borders. This annual forum is a reminder that the ERO Enterprise, in partnership with CAMPUT, is uniquely positioned to foster these strong partnerships. While models differ among the Canadian provinces and the United States, the interconnected North American grid unites us in our commitment to reliability. *Janet Sena is senior vice president of External Affairs.* ■■■

## Headlines

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

Due to ongoing pandemic conditions, NERC held its second virtual Board of Trustees meeting on Thursday, August 20. 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 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 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 their respective regional boards previously approved. 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, which will take place via WebEx, is November 5.

### **Statement on Passing of USEA Director Barry Worthington**

It is with great sadness that we note the passing of Barry Worthington, executive director of the United States Energy Association (USEA) for the past 31 years. Worthington was a strong supporter of NERC, which serves on the USEA Board of Directors, and NERC’s North American responsibility to assure the reliability and security of the bulk power system. Worthington provided outstanding leadership to USEA throughout his years there, noted Jim Robb, NERC’s president and CEO, with a primary focus on expanding access to and communicating the benefits of the U.S. energy industry. “A kind and thoughtful man,” Robb said. “NERC extends its sympathy to his family, friends and the USEA staff.”

### **ERO Enterprise Extends Self-Logging Program Expansion and Deferral of On-Site Activities**

In May, the ERO Enterprise released [guidance](#) that provided additional regulatory relief related to registered entities’ coronavirus response and temporarily expanded the Self-Logging Program. Due to the ongoing pandemic, the ERO Enterprise is extending this expansion through December 31, 2020, to allow all registered entities to self-log instances of potential noncompliance with minimal or moderate risk related to their coronavirus response.

Additionally, in March, the ERO Enterprise postponed on-site audits and other on-site activities. The ERO Enterprise will continue to defer on-site activities through at the least the end of 2020 to allow registered entities to continue to focus their resources on keeping their workforces safe and the lights on.

During this challenging time, the ERO Enterprise recognizes the importance of prioritizing the health and safety of personnel and the continued reliability and security of the bulk power system. We will continue to evaluate the circumstances to determine whether additional guidance and extensions are needed. [Updated Guidance](#) | [CMEP One-Stop Shop](#) ■■■

## Compliance

### Nomination Period Open for Compliance and Certification Committee

The Compliance and Certification Committee (CCC) is requesting nominations through September 5, 2020 to fill vacant positions. The CCC engages with support and advises the NERC Board and NERC regarding all facets of the NERC Compliance Monitoring and Enforcement Program, Organization Registration Program and Organization Certification Program. Please review the [CCC Charter](#) for information regarding the responsibilities of CCC members.

The following voting positions are currently open for nominations to the CCC:

- 1- Investor-Owned Utility
- 1- State/Municipal Utility
- 1- Federal/Provincial Utility/Federal Power Marketing Administration
- 1- Transmission Dependent Utility
- 1- Electricity Marketer
- 2- Large End-Use Electricity Customer
- 1- Small End-Use Electricity Customer
- 1- ISO/RTO
- 1- U.S. Federal
- 2- U.S. State
- 1- Canadian Federal
- 1- Canadian Provincial

The CCC has an open nomination process. Individuals or recognized industry groups may nominate candidates for

consideration. A nominee that represents a NERC member may only be nominated for a sector that matches the NERC member's sector under the [NERC membership list](#). Terms will be for three years and will begin on January 1, 2021, after NERC Board approval of membership appointments at its scheduled meeting in November. If you are interested in serving as or nominating a member to the CCC, please complete the [nomination form](#) and send it to [CCCElections@nerc.net](mailto:CCCElections@nerc.net) by September 5, 2020. ■■■

## Reliability Risk Management

### Two Lessons Learned Posted

NERC posted two new Lessons Learned to the [Lessons Learned](#) page.

The [Verification of AC Quantities during Protection System Design and Commissioning](#) Lesson Learned addresses an issue in which failure to employ effective commissioning testing practices or effective quality checks of protection system designs when installing or modifying protection systems can lead to protection system misoperations. These can occur with all components of protection systems, but issues with voltage and current instrument transformer wiring regularly surface when protection system misoperations occur. Protection system misoperations have an immediate negative impact on the reliability of the bulk power system and may cause a significant increase in the magnitude and scope of a disturbance. This Lesson Learned is of primary interest to Transmission Owners, Transmission Operators, Generation Owners and Generation Operators.

The [Lockout Relay Component Failure Causes Misoperation and Reportable Event](#) addresses how unnecessary trips for non-fault conditions are problematic for any protective relay and can be particularly problematic for lockout relays. Lockout relays typically are used to isolate and hold Bulk Electric System (BES) electrical equipment out of service for extended periods to allow for visual inspection and typically result in the operation of multiple interrupting devices. Many lockout relay types require manual reset, meaning that field personnel must travel to the relay location, inspect and perform switching to restore



systems to service. The resulting extended abnormal operating condition of the system may put the reliability of the BES at risk. This Lesson Learned is of primary interest to Transmission Owners, Generator Owners and Distribution Providers.

A successful Lesson Learned document clearly identifies the lesson, contains sufficient information to understand the issues, visibly identifies the difference between the actual outcome and the desired outcome and includes an accurate sequence of events, when it provides clarity.

### NERC–WECC Joint Technical Report Published

NERC issued alerts following the Blue Cut Fire and Canyon 2 Fire disturbances to gather data to understand the extent of possible inverter tripping or momentary cessation during fault events and to recommend mitigating actions to address potential reliability issues related to inverter-based resource performance. System modeling issues for inverter-based resources, particularly solar photovoltaic resources, connected to the bulk power system were identified following data collection from these alerts.

To continue efforts by the ERO Enterprise in this area, NERC and WECC [assessed](#) the WECC planning base case data to document the state of modeling practices and to provide recommended actions for industry to take to improve model quality and fidelity in the Western Interconnection. The analysis and publication of this report by NERC and WECC staff follows the NERC [Technical Report: BPS-Connected Inverter-Based Resource Modeling and Studies](#) that the NERC [Inverter-Based Resource Performance Task Force](#) (IRPTF) recently published on these issues.

### Monitoring and Situational Awareness Technical Conference Announced

NERC will host its eighth annual Monitoring and Situational Awareness Technical Conference via WebEx. The theme of this year's conference is "Energy Management System Reliability and Resiliency in the Pandemic." This year's conference will unite expertise from various utilities to share cutting-edge ideas and good industry practices and identify trends and lessons

learned from events across different vendors, energy management system (EMS) platforms and interconnections. There will be three different conference sessions from which to choose:

- **Session 1 | September 24, 2020**  
Overview of the bulk power system situational awareness, including EMS performance
- **Session 2 | October 15, 2020**  
Real-Time assessment
- **Session 3 | November 10, 2020**  
Industry responses to COVID-19

As the ERO, NERC is committed to continuous learning and improvement of bulk power system reliability. More details about the conference will be provided in the coming months. Registration details are available under [Upcoming Events](#). ■■■

### Standards

With the implementation of the [Align Project](#) in 2020, there will be changes to the [Reliability Standards web page](#) and associated reports, including the One-Stop Shop, U.S. Effective Date Status/Functional Applicability spreadsheet and VRF and VSL matrices. More details will be provided in the coming months.

### Align Project Update

The Align team is hosting a series of adoption workshops through September to prepare NERC and Regional Entity staff for Release 1 pre-launch activities. The team held ERO Enterprise-wide sessions earlier this month to address common topics across NERC and the Regions, such as access provisioning, data migration and the post go-live support model. The sessions had more than 220 participants, and survey results showed the sessions to be helpful in improving their understanding of the topics that were covered.

NERC staff were invited to attend two additional sessions that offered a demo of the Align tool and a live Q&A, as well as the opportunity to preview training materials and discuss other business readiness activities. The team also walked through the standardized ERO Enterprise CMEP business processes in these sessions to help identify any

changes required to CMEP business processes as part of Release 1. Session recordings are available for those who were unable to attend or want to revisit any of the content.

The team is currently facilitating adoption workshop sessions for staff from each of the Regional Entities. These sessions are open to anyone within the Region who is impacted by Release 1. Note that these workshops will not replace classroom training, which will follow the adoption workshops later this year. Please email [AskAlign@nerc.net](mailto:AskAlign@nerc.net) with any questions about the project or the adoption workshops. The project team updates the [Align FAQs page](#) with answers to questions as needed.

## Webinar Resources Posted

NERC posted the:

- [streaming webinar](#) and [slide presentation](#) for the August 19, 2020 Project – 2019-02 BES Cyber System Information Access Management webinar
- [streaming webinar](#) and [slide presentation](#) for the August 6, 2020 Project 2016-02 – Modifications to CIP Standards Management Systems webinar
- [streaming webinar](#) and [slide presentation](#) for the August 5, 2020 Project 2019-03 – Cyber Security Supply Chain Risks Industry webinar

## Project 2019-03 – Cyber Security Supply Chain Risks Redline Approved

The CIP-005-7 redline to last approved standard (i.e., CIP-005-6) has been added to the Draft 3 posting section of the [project page](#). This redline will allow industry to view the proposed modifications compared to the last approved standard.

## Document Issue Reporting Link Now Available

In an effort to maintain our documents at a world-class level, NERC Standards staff is requesting that stakeholders report any issue(s) found while reading/reviewing NERC documents on the Standards web page. Please note that any issue(s) found in a NERC Reliability Standard would initiate an applicable process in the Standard Processes Manual if warranted by the

NERC Standards Committee. Issues identified in other NERC documents, such as broken links, will be evaluated and corrected by NERC Standards staff, as appropriate.

To report an issue, navigate to the [Standards page](#), select “Submit Questions or Feedback” under Program Contacts on the right-hand side (shown below) and follow the directions listed there.



**Program Contacts**

[Submit Questions or Feedback](#)

\*Select “Standards” from the “Services” drop-down menu and select the appropriate option from the “Category” drop-down menu. Enter question/feedback in the description Box.

The link is also available under Standards Quick Links in the weekly Standards, Compliance, and Enforcement Bulletin.

## Nomination Results and Opening of Standards Committee Special Election Segment 6

The Standards Committee (SC) nomination period for the special election for Segment 6 to fill the remainder of the 2020–2021 term closed August 17, 2020. Sarah Snow and Thomas Robben were nominated to represent Segment 6. The election began on August 26, 2020 and will close on Friday, September 4, 2020 at 8:00 p.m. Eastern. Each individual or entity that is a **member of Segment 6** may vote. Detailed candidate information is posted on the [Standards Committee’s Nominations and Elections web page](#). Click [here](#) to vote if you represent Segment 6. Proxies are allowed; please email proxy designations to [Katrina Blackley](#) prior to voting. ■■■

## Regional Entity Events

### [Midwest Reliability Organization \(MRO\)](#)

- [Organizational Group Oversight Committee OGO](#), September 16
- [CMEP Advisory Council Meeting](#), September 16
- [MRO Board of Directors Meeting](#), September 17
- [Security Conference Training](#), October 6
- [Security Conference](#), October 7

- [Regional Security Risk Assessment Meeting](#), October 8
- [ERAG Workshop](#), October 27
- [Security Advisory Council Meeting](#), November 5
- [Reliability Advisory Council Meeting](#), November 18
- [CMEP Advisory Council Meeting](#), November 19
- [MRO Annual Member and Board of Directors Meeting](#), December 3

## **ReliabilityFirst (RF)**

- [Technical Talk with RF](#), September 21
- [Insider Threats Webinar](#), September 30

## **SERC Reliability Corporation**

- [Fall Technical Meetings](#), September 21–25
- [CIP Compliance Seminar](#), October 6–7
- [O&P Compliance Seminar](#), November 10–11

## **Texas RE**

- [Generator Weatherization Workshop](#), September 3
- [Talk with Texas RE: Phasing In Align](#), September 24
- [Talk with Texas RE – Summer Adequacy/Generation Interconnection Status](#), October 15
- [Fall Standards and Compliance Workshop](#), October 22

## **WECC**

- **Board of Directors and Associated Meetings** ([virtual](#)), September 10–11 ■■■

## **Upcoming Events**

For a full accounting of NERC events, such as meetings and conference calls for standard drafting teams, other standing committees, subcommittees, task forces, and working groups, please refer to the [NERC calendar](#).

- **Winter Preparation for Severe Cold Weather Webinar** – 2:00–3:00 p.m. Eastern, September 3, 2020 | [Register](#)

- **Monitoring and Situational Awareness Technical Conference Session 1** – September 24, 2020 | [Register](#)
- **Standards Committee Conference Call** – 10:00 a.m.–3:00 p.m. Eastern, September 24, 2020 | [Register](#)
- **Project 2016-02 – Modifications to CIP Standards** | **Virtualization Workshop** – 12:00–5:00 p.m. Eastern, September 30 | [Register](#)
- **Monitoring and Situational Awareness Technical Conference Session 2** – October 15 | [Register](#)
- **Monitoring and Situational Awareness Technical Conference Session 3** – November 10 | [Register](#) ■■■

## **Filings**

### **NERC Filings to FERC in August**

*August 14, 2020*

[Compliance Filing in Response to January 2013 Order](#) | NERC submits an unaudited report of NERC’s budget-to-actual variance information for the second quarter 2020. This compliance filing is in accordance with FERC’s January 16, 2013 Order, which approved a Settlement Agreement between the FERC Office of Enforcement and NERC, related to findings and recommendations arising out of its 2012 performance audit.

*August 24, 2020*

[NERC 2021 Business Plan and Budget Filing](#) | NERC submits this filing requesting acceptance of the 2021 Business Plans and Budgets of NERC, the six Regional Entities, and the Western Interconnection Regional Advisory Body and approval of the proposed assessments to fund the 2021 budgets.

[Comments Re: Potential CIP Enhancements NOI](#) | Joint comments of NERC and the Regional Entities in response to the FERC Notice of Inquiry regarding Potential Enhancements to the CIP Reliability Standards.

### **There were no NERC Canadian Filings to FERC in August**



## **Careers at NERC**

### **Director, Internal Audit**

Location: Atlanta

[Details](#) ■■■