

# NERC News

September 2020

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### Compliance Monitoring in a Virtual Environment

The COVID-19 pandemic has brought about many challenges to the physical, mental and economic health and well-being of society in general, as well as to the electric industry that seeks to provide reliable service during these unprecedented times. In recognition of this, the ERO Enterprise, with FERC's approval, temporarily suspended regional on-site monitoring activity. As a result, there was a need to develop and implement a strategy to conduct remote oversight activities via flexible and innovative approaches in order to continue performing the critical role of assuring the reliability, security and resiliency of the North American bulk power system. The ERO Enterprise is using the travel restrictions brought on by the pandemic and the no visitor policies adopted by registered entities as an opportunity to analyze the paradigm of how on-site compliance audits and on-site certification reviews are traditionally conducted. The NERC Risk, Performance, and Monitoring Group (RPMG) collaboratively shares and discusses ideas and better practice elements for conducting virtual, remote audits.

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## Compliance Monitoring (cont'd)

All aspects of the engagement including scheduling, evidentiary receipt and review, interviews of entity subject matter experts and the use of live and prerecorded video explanations and/or walkthroughs are part of the continuing iterations for developing and deploying sustainable enhancements, identifying opportunities and gaining efficiencies. In transitioning to remote compliance monitoring activities in lieu of physical, on-site presence, the ERO Enterprise still aims to ensure that the engagement is not strictly about compliance. All engagements provide an opportunity to sit across a virtual table to discuss opportunities for enhancement to achieve a highly reliable international, interconnected bulk power system.

While thorough and rigorous on-site audits provide the highest level of compliance assurance, remote, virtual audits have significantly improved as experience with the available electronic modalities has increased. The ERO Enterprise has been successful in transitioning from on-site audits to full virtual and remote engagements in order to reasonably be assured of compliance. To ensure success, the ERO Enterprise coordinates with the registered entity to 1) accommodate the entity's desire to defer the planned oversight monitoring or to continue with the scheduled engagement and to 2) fulfill the ERO and the entity's desire that the audit activities and interactions with entity subject matter experts to view and discuss evidence do not interfere with the entity's operational responses to COVID.

Applications such as Cisco WebEx and Microsoft Teams have been used in combination to conduct the interactions and interviews with the entity subject matter experts and to conduct the private audit team caucuses. The goal of the virtual audit is for the ERO Enterprise to reach the same level of reasonable assurance of compliance that otherwise would have occurred had there been on-site activity. In situations where the discussions and evidence provided do not quite lend themselves to the ERO being assured of compliance, solutions such as coordinating with the

entity to conduct an additional and focused on-site spot check on the open issues in 2021 are developed.

As an example, NPCC has been successful in changing several CIP/O&P audits from having on-site activities into being a full virtual and remote engagement in order to become reasonably assured of compliance. In all cases, NPCC coordinated in advance with the registered entity. In situations where the discussions and evidence presented do not provide NPCC with an assurance of compliance, NPCC will coordinate with the entity to conduct an additional and focused on-site spot check on the open issues in 2021.

With regard to compliance activities that the registered entities are not able to complete as per the NERC Standards due to the COVID-19 pandemic, the ERO Enterprise (in conjunction with FERC) is remaining flexible and adaptable. The ERO Enterprise released guidance (May 28, 2020 and August 13, 2020) that provided discretion and additional regulatory relief related to registered entities' coronavirus response by temporarily expanding the Self-Logging Program. This program has now been expanded through December 31, 2020, and allows all registered entities to self-log instances of potential noncompliance related to their coronavirus response that are of minimal or moderate risk, which enables them to focus and prioritize their resources on keeping the lights on and ensuring the security and reliability of the bulk power system. ■■■

## Headlines

### Texas RE Board Names Jim Albright as New President and CEO

The Texas RE Board of Directors announced that they have selected Jim Albright as Texas RE's new president and chief executive officer (CEO) effective January 1, 2021. Albright will succeed Lane Lanford who has been Texas RE's CEO since February 2012. Albright, who has served as Texas RE's vice president and chief operating officer for the past seven years, leads the Compliance Monitoring and Enforcement Program (CMEP) and the Reliability Monitor department and serves as chair of the Align Project.

“Jim has the knowledge and experience to lead Texas RE where he has been a strong voice for Texas RE’s focus on reliability, as well as for the ERO Enterprise transformation to having NERC and the Regions work as one synchronous machine,” said Jim Robb, president and CEO of NERC. “Lane Lanford has been an outstanding leader for Texas RE, and we look forward to continuing our work with Jim and Texas RE on our common mission of a highly reliable and secure bulk power system.”

[Texas RE Announcement](#)

### Statement on FERC September Open Meeting Action

At its monthly open meeting on September 17, FERC took action on two key reliability items. FERC released a [notice of inquiry \(NOI\)](#) seeking comment on potential security risks to the Bulk Electric System posed by the use of foreign-manufactured equipment and software by certain entities identified as risks to national security. FERC is also seeking comments on strategies to mitigate any potential risks posed by such telecommunications equipment and services, including but not limited to potential modifications to the Critical Infrastructure Protection Reliability Standards.

FERC also issued a [final rule](#) approving the retirement of 18 Reliability Standard requirements identified by NERC under the [Standards Efficiency Review](#). FERC remanded proposed Reliability Standard FAC-008-4 for further consideration by NERC and took no action at this time on the proposed retirement of 56 Modeling, Data, and Analysis (MOD) Reliability Standard requirements.

The ERO Enterprise appreciates FERC’s action and will continue to work with FERC and stakeholders toward assuring the reliability of the North American bulk power system.

### FERC, NERC Staff Outline Cyber Incident Response, Recovery Best Practices

Staff of FERC and NERC published a report on cyber planning for response and recovery that outlines best practices for the electric utility industry.

The joint staffs of FERC, NERC and the NERC Regional Entities developed the [Cyber Planning for Response and Recovery Study](#) after interviewing subject matter experts from eight electric utilities of varying size and function.

The report includes the joint staffs’ observations on their defensive capabilities and on the effectiveness of their Incident Response and Recovery (IRR) plans.

The report identifies common elements among the IRR plans: They define their scope, computer security events and incidents, staff roles and responsibilities, levels of authority for response, reporting requirements, requirements and guidelines for external communications and information sharing and procedures to evaluate performance.

The report also identifies best practices, finding that effective IRR plans:

- Contain well-defined personnel roles, promote accountability and empower personnel to act without unnecessary delays and use supporting technology and automated tools while recognizing the importance of human performance;
- Require well-trained personnel who are constantly updating their skills and incorporate lessons learned from past incidents or tests;
- Use baselining so personnel can detect significant deviations from normal operations, and flowcharts or decision trees to determine quickly when the utility reaches a predefined risk threshold and a suspicious set of circumstances qualifies as an event;
- Remove all external connections when activated, and consider the possibility that a containment strategy may trigger predefined destructive actions by the malware and employ evidence collection and continued analysis to determine whether an event indicates a larger compromise;
- Consider the resource implications of incident responses of indeterminate length; and
- Implement lessons learned from previous incidents and simulated activities.

The report concludes that effective IRR plans are important resources for addressing cyber threats, and that effective IRR plans should be in place and response teams should be prepared to detect, contain, and, when

appropriate, eradicate cyber threats before they can harm utility operations.

## NERC Board Member Makes Endowment to Salisbury University

NERC Board of Trustees member Robert G. Clarke and his wife, Glenda Chatham, pledged a \$1.5 million endowment to Salisbury University on September 8 to benefit the university's Honors College, which will be named in their honor. The Clarke's contribution will also support "[We Are SU: The Campaign for Salisbury University](#)," a fundraising initiative helping Salisbury "transform tomorrow, shape success and create connections through funding for student scholarships and academic programs," according to a Salisbury University press release.

Clarke was elected to the NERC Board of Trustees in February 2013. He is the chair of the Finance and Audit Committee and serves on the Corporate Governance and Human Resources, Enterprise-wide Risk and Nominating Committees. He previously served as vice chair of the Board of Trustees.

Clarke and Chatham, who met while lining up alphabetically for registration during their freshman year at Salisbury and married four years later, both worked long careers in education. Today, they dedicate their time to community endeavors, serving on the boards of local and national non-profits. "We're very impressed with the changes and very impressed with the people at Salisbury University," Clarke told the university. "We wanted to invest in people — the students — and we wanted to invest in something that would be there long after we're gone." [Salisbury University Press Release](#)



## Compliance

### Program Alignment Update

NERC resolved two issues pertaining to [CMEP Practice Guides](#) on considerations for ERO Enterprise CMEP staff (CMEP staff) regarding assessment of a common service (svchost.exe) and generation segmentation pursuant to the current CIP-002 Reliability Standard. The new documents are:

- [ERO Enterprise CMEP Practice Guide – CIP-007-6 R1 Part 1.1 - SVCHost](#)  
The purpose is to provide guidance to CMEP staff when assessing a registered entity's process to enable only those logical network accessible ports that have been determined to be needed on applicable systems.
- [ERO Enterprise CMEP Practice Guide – CIP-002-5.1a R1 – Generation Segmentation](#)  
The purpose is to provide guidance to CMEP staff when assessing a registered entity's process to demonstrate the disaggregation of its generation Bulk Electric Systems (BES) Cyber Systems, in implementing IRC 2.1 and Requirement R2 Part 2.1.

The ERO Enterprise solely develops CMEP Practice Guides to reflect the independent, objective professional judgment of CMEP staff, and, at times, may initiate them following policy discussions with industry stakeholders. The ERO Enterprise Program Alignment Process enhances efforts to identify, prioritize and resolve alignment issues across the ERO Enterprise. Using this process, NERC captures identified issues from the various resources in a [centralized repository](#).

### Two Reliability Standard Audit Worksheets Posted

NERC posted two new Reliability Standard Audit Worksheets (RSAWs) to the [RSAW page](#) under the heading "Current RSAWs for Use."

- [BAL-003-2 – Frequency Response and Frequency Bias Setting](#): The standard becomes effective December 1, 2020, and it applies to Balancing Authorities and Frequency Response Sharing Groups.
- [TPL-007-4 – Transmission System Planned Performance for Geomagnetic Disturbance Events](#): This standard becomes effective October 1, 2020, and it applies to specified Planning Coordinators, Transmission Planners, Transmission Owners and Generator Owners.

RSAWs are guides provided by the ERO Enterprise that describe types of evidence that registered entities may use to demonstrate compliance with a Reliability Standard. The ERO Enterprise drafts these worksheets, which include information regarding how the ERO Enterprise may assess evidence, during the development of their corresponding NERC Reliability Standards, allowing for enhanced transparency around compliance expectations.

### Newly Effective Standards

The following standards became effective on October 1, 2020:

- [CIP-005-6 – Cyber Security – Electronic Security Perimeter\(s\)](#) manages electronic access to BES Cyber Systems by specifying a controlled Electronic Security Perimeter in support of protecting BES Cyber Systems against compromise that could lead to misoperation or instability in the BES.
- [CIP-010-3 – Cyber Security – Configuration Change Management and Vulnerability Assessments](#) prevents and detects unauthorized changes to BES Cyber Systems by specifying configuration change management and vulnerability assessment requirements in support of protecting BES Cyber Systems from compromise that could lead to misoperation or instability in the BES.
- [CIP-013-1 – Cyber Security – Supply Chain Risk Management](#) mitigates cyber security risks to the reliable operation of the BES by implementing security controls for supply chain risk management of BES Cyber Systems.
- [TPL-007-4 – Transmission System Planned Performance for Geomagnetic Disturbance Events \(Requirements R1, R2, R5, 5.1–5.2, R9, 9.1–9.2\)](#) establishes requirements for transmission system planned performance during geomagnetic disturbance (GMD) events.

### CORES Survey Notice

The ERO Enterprise will be seeking feedback regarding the functionality of registration activities on the ERO Portal. NERC will send the survey invitation, which will include a Survey Monkey link, to primary compliance

contacts and alternate compliance contacts on October 16. The survey will be open for 30 days and will ask questions regarding user experience with CORES functionality, in particular New Entity Registrations and My Entity updates. There are four parts to the survey, including the ERO Portal, New Registrations, My Entity and Training. The ERO Enterprise will use the survey results to focus on enhancing future releases with the registered entities' perspective. Survey Monkey estimated that most respondents would be able to complete the survey between 1–7 minutes. ■■■

### Reliability Risk Management

#### Webinar Resources Posted

NERC posted the [slide presentation](#) and [streaming webinar](#) from the September 3, 2020 Winter Preparation for Severe Cold Weather webinar. ■■■

### 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 recently wrapped up the adoption workshops, helping NERC and Regional Entity staff prepare for Release 1 pre-launch activities. As part of the adoption workshops, NERC and regional staff attended NERC- and Region-specific 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 Align project 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 has now shifted its focus to training and will be using a regionally based training delivery approach.

NERC and regional training leads will provide training for all NERC, regional and registered entity staff impacted by Release 1 activities. The first Train-the-Trainer session for NERC and regional training leads will be held at the end of the month and will introduce them to the various training materials currently in development, including a train-the-trainer guide with exercises and scenarios. Draft training videos and user guides for NERC, regional and registered entity staff can be found on the [NERC Training site](#).

The Align project team is also hosting an ERO Enterprise stakeholder webinar to share information on [registered entity self-built lockers](#) on Thursday, October 29 from 1:00–1:30 p.m. Eastern. Please email [AskAlign@nerc.net](mailto:AskAlign@nerc.net) with any questions about the project or the upcoming webinar. The project team updates the [Align FAQs page](#) with answers to questions as needed.

## Nomination Period Open for Standards Committee Election

The [Standards Committee](#) (SC), which consists of two members from each of the ten Industry Segments that make up the registered ballot body (RBB), is seeking nominations. There are members representing 10 segments whose term will conclude at the end of December 2020. Therefore, the SC is holding an election to fill the two-year terms (2019–2020) for each of the ten segments. In addition, there is a vacancy in Segment 7, for one-year term concluding December 2021. When submitting a [nomination form](#), indicate the segment you are interested in for membership. For segment 7, please note if you are interested in the one-year or two-year term. When the election concludes for segment 7, the individual with the majority votes will be elected for the term of their choice. The runner-up will be asked to fill the available term for that segment. Any Industry Segment that intends to use a special procedure to elect its SC representatives must provide a copy of its procedure to [Katrina Blackley](#) by October 15, 2020.

Anyone may submit a nomination. To be eligible for nomination, a nominee shall be an employee or agent of an entity belonging in the applicable segment. **To allow verification of affiliation, a nominee must be a registered user in the NERC RBB.** It is [not required](#) that

the nominee be the same person as the entity’s RBB representative for the applicable segment. Please submit completed [SC nomination forms](#) to [Katrina Blackley](#) no later than **Thursday, October 15, 2020**. The SC will conduct an election of segment representatives shortly after the nomination period is closed. ■■■

Membership Terms Concluding			
Segment	Representative	Title	Organization
1	Sean Bodkin	NERC Compliance Policy Manager	Dominion Resources Services, Inc.
2	Charles Young	Executive Director Interregional Affairs	Southwest Power Pool
3	Linn Oelker	Manager – Market Compliance	LG&E and KU Services Company
4	Barry Lawson	Associate Director, Power Delivery and Reliability	National Rural Electric Cooperative Association
5	William Winters	Chief Engineer, Electrical Engineering	Con Edison Company of New York, Inc.
6	Rebecca Darrah	Manager of Reliability Compliance	ACES
7	Vacant for 2020–2021		
8	David Kiguel		Independent
9	Vacant		
10	Steven Rueckert	Director of Standards	WECC

## Regional Entity Events

### Midwest Reliability Organization (MRO)

- [Regional Security Risk Assessment Meeting](#), October 8
- [Align Update-MRO and RF](#), October 20

### ReliabilityFirst (RF)

- [Technical Talk with RF](#), October 19
- [RF And MRO Joint Webinar On Align Project Status](#), October 20
- [Technical Talk with RF](#), November 16

### SERC Reliability Corporation

- [CIP Compliance Seminar](#), October 6–7
- [O&P Compliance Seminar](#), November 10–11

### Texas RE

- [Talk with Texas RE: Summer Adequacy/Generation Interconnection Status](#), October 15
- [Fall Standards and Compliance Workshop](#), October 22

- [Talk with Texas RE: Standards Update](#), November 19

## WECC

- [Reliability & Security Webinar](#), October 27

## 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](#).

- **Member Representatives Committee Pre-Meeting Conference Call and Informational Webinar** – 11:00 a.m.–12:30 p.m. Eastern, October 7 | [Register](#)
- **Monitoring and Situational Awareness Technical Conference Session 2** – October 15 [Register](#)
- **Standards Committee Conference Call** – 1:00–3:00 p.m. Eastern, October 21 | [Register](#)
- **Align Webinar: Registered Entity Self-Built Secure Evidence Lockers** – 1:00–1:30 p.m. Eastern, October 29 | [Register](#)
- **Monitoring and Situational Awareness Technical Conference Session 3** – November 10 [Register](#)

## Filings

### NERC Filings to FERC in September

*September 10, 2020*

[Petition for the Approval of Amendments to the NPCC Regional Standard Processes Manual](#) | NERC submits a petition for approval of amendments to the NPCC Regional Standard Processes Manual.

*September 17, 2020*

[CIP SDT Schedule September Update Informational Filing](#) | NERC submits to FERC an informational compliance filing as directed by FERC in its February 20, 2020 Order. This filing contains a status update on two standards development projects relating to CIP Reliability Standards.

*September 28, 2020*

[Second Compliance Filing on Five-Year Order](#) | NERC submits its second compliance filing in response to FERC's Five-Year Performance Review Order.

[Annual Report of the NERC on Wide-Area Analysis of Technical Feasibility Exceptions](#) | NERC submits to FERC the 2020 Annual Report of the Wide-Area Analysis of Technical Feasibility Exceptions in compliance with Paragraphs 220 and 221 of FERC's Order No. 706.

### NERC Canadian Filings to FERC in September

*September 24, 2020*

[FAC-008-4 Remand Notice](#)