ERO ENTERPRISE LONG-TERM STRATEGY

**Approved by NERC Board of Trustees December 10, 2024**

INTRODUCTION

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities,[1] works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its **mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.**

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. **The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.**

The electric industry is experiencing a rapid change in how systems are designed, planned, operated, and secured. The future reliability, resilience, and security ecosystem includes new risks, new complexities, new terminology, new technologies, new requirements, new players, and the blurring of risk across traditional jurisdictional boundaries. With these changes coming faster and more frequently than ever before, it is becoming increasingly challenging for policymakers to effectively balance reliability, resilience, and security, environmental sustainability, and access and affordability. As the industry landscape changes, the ERO Enterprise is in a unique position to support stakeholders and inform policymakers through this extraordinary time of transformation.

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[1] The Regional Entities include the Midwest Reliability Organization (MRO), Northeast Power Coordinating Council (NPCC), ReliabilityFirst (RF), SERC Reliability Corporation (SERC), Texas Reliability Entity (Texas RE), and Western Electricity Coordinating Council (WECC).
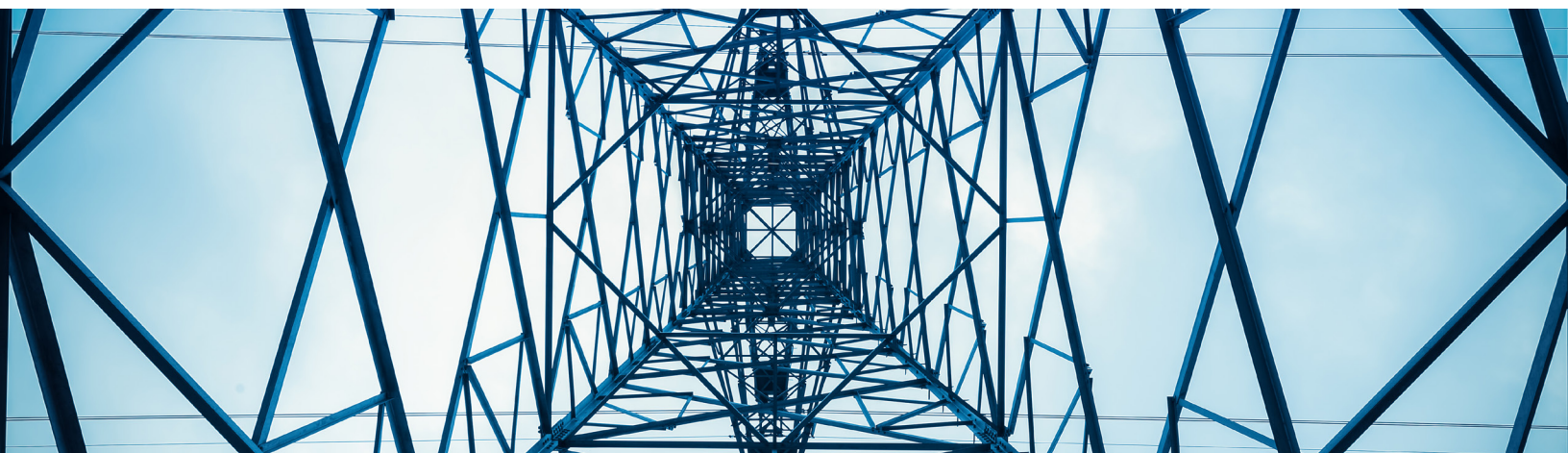
With its collective mission and vision, the regional model is critical to the ERO Enterprise's success. The ERO Enterprise works to leverage its expertise and ensure it functions as a single synchronous machine maximizing the value of separate, but complementary, roles. The ERO Enterprise works to achieve this by engaging in a collaborative process through diverse activities, including ERO Enterprise-wide town halls, joint leadership training sessions, and work among chartered ERO Enterprise collaboration groups. The leadership of the ERO Enterprise has embraced the four foundational value drivers in the graphic to the right and the commitment to succeed by:

- Working together as one team and honoring each of its roles.

- Actively supporting ERO Enterprise activities, while eliminating unnecessary duplication of work.

- Collaborating in developing clear and consistent guidance across the ERO Enterprise.

- Sharing information, knowledge, and resources across the ERO Enterprise.

- Developing and sharing harmonized messages across ERO Enterprise communications.

- Supporting innovation, initiatives, and the sharing of best-practices across the ERO Enterprise.

ERO Enterprise Focus Areas

The ERO Enterprise has identified four focus areas for achieving success in its vision and mission:

ENERGY

Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.

SECURITY

Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work[2], outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.

ENGAGEMENT

Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.

AGILITY AND SUSTAINABILITY

Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

[2] Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.

ENERGY

Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid. The ERO Enterprise will support this focus area as follows:

- Actively engage and communicate with stakeholders and policymakers as they manage rapid change and evolving threats to create a sense of urgency to proactively implement risk mitigations.

- Develop the necessary process(es) and advanced analytical capabilities to improve the ERO Enterprise's ability to understand new and emerging technologies and identify new and emerging risks, including supporting and leveraging the broader ecosystem's ability to identify new and emerging risks.

- Maintain sufficient resource levels with requisite skillsets, and acquire and implement new organizational structures, processes, and systems needed to sustain regulatory obligations and address the challenges of the transforming grid.

- Create an environment where participants focus on reliability, resilience, and security performance as opposed to compliance risk.

SECURITY

Maintain cyber and physical security programs (E-ISAC, Standards, CMEP, technical committee work, outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of the industry. The ERO Enterprise will support this focus area as follows:

- Maintain a detailed understanding of the threat landscape and situational awareness and facilitate information sharing across the ERO Enterprise and with key stakeholders.

- Ensure registered entities and other key stakeholders clearly understand the security threat landscape, key risks, and mitigation techniques.

- Through the E-ISAC, monitor and distribute threat intelligence, conduct security briefings as required, and execute the requisite data analysis programs to guide and better inform the Regional Entities, registered entities, and other key external stakeholders.

- Develop a coordinated and integrated security program that reduces security risks and better aligns the related activities conducted by the E-ISAC, IT, Standards, CMEP, NERC standing committees, and Regional Entity outreach.

- Maintain position as a trusted advisor on security-related issues and improve ability to be sought out and inform future regulation.

- Build and maintain a mature security posture across all ERO Enterprise companies.

ENGAGEMENT

Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in their engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform decision-making, and have confidence in the integrity and independence of ERO Enterprise programs. The ERO Enterprise will support this focus area as follows:

- Develop high quality relationships with stakeholders and policymakers and seek constructive and collaborative engagement on key reliability, resilience and security challenges facing the grid.

- Inform ERO Enterprise strategy and priorities by a deep and expert understanding of the wants and needs of the evolving and diverse stakeholder and policymaker ecosystem.

- Deliver technically rigorous and intellectually honest insights and analyses and communicate them in a timely, clear, concise, and compelling manner that inform stakeholders and policymakers.

AGILITY AND SUSTAINABILITY

Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical. The ERO Enterprise will support this focus area as follows:

- Ensure standards development processes and prioritization create alignment on risk mitigation across the ERO Enterprise and balance opportunities for stakeholder participation while being responsive to the changing risk environment.

- Harmonize the CMEP and Reliability Assessment and Performance Analysis (RAPA) program areas and leverage a common framework that focuses on risk-based efficiency, effectiveness, and agility across the ERO Enterprise.

- Harmonize planning, budgeting, and Information Technology systems to the extent practical recognizing the realities of the ERO Enterprise structure, focusing on efficiency, effectiveness, and agility across the ERO Enterprise.

- Leverage evolving technology to improve effectiveness and efficiency of processes and minimize reliability and security risk.

- Leverage the ERO Enterprise in attracting, engaging, and retaining a workforce with the appropriate technical and leadership skills needed to execute strategy and address the focus areas. Seek top talent, provide opportunities for growth, share expertise across the ERO Enterprise, and position the ERO Enterprise organizations as "employers of choice."

CONCLUSION

As the reliability, resilience, and security ecosystem changes, the ERO Enterprise is in a unique position to support industry in ensuring North American BPS reliability, resilience, and security. These four focus areas — Energy, Security, Engagement, and Agility and Sustainability — will serve as a common input to NERC and Regional Entity business planning processes and are intended to guide the ERO Enterprise throughout multiple business planning and budgeting cycles. ERO Enterprise leadership will revisit these areas periodically to ensure the long-term strategy's relevancy and efficacy, particularly in response to any changes to the ERO Enterprise landscape, as well as emerging reliability and security risks captured through the ERO Enterprise's ongoing monitoring of reliability and the Reliability Issues Steering Committee's processes and biennial report.