NERC NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

Announcement

NERC Advances Extreme Weather Protection, Energy Assurance, and Approves 2025 Work Plan Priorities

December 10, 2024

WASHINGTON, D.C. – At its December meeting, NERC's Board of Trustees took important actions to mitigate extreme weather impacts on the grid, help assure adequate energy supply and strengthen cybersecurity protections through the approval of new and modified standards. To plan for the future, the Board also approved NERC's 2025 work plan priorities, the updated *ERO Enterprise Long-Term Strategy* and Board compensation and meeting schedule changes beginning in 2026.

Board Chair Ken DeFontes opened the meeting, highlighting the several significant activities undertaken by NERC in the past year and acknowledging that there remains much to do - now and in the future - to address extreme weather impacts.

"The actions in front of us today show that NERC continues to make progress on addressing extreme weather challenges, resulting in ongoing reliability, but we must keep moving forward," DeFontes said. "We are at a critical stage on the cold weather project with the ballot closing on December 20. The Board must decide whether more aggressive action will be necessary. We are watching the ballot closely, and, if it does not pass, will call a special meeting between the Regulatory Oversight Committee and the Board in early January."

Standards Action

The Board approved the 2025–2027 Reliability Standards Development Plan, which includes time frames and anticipated resources for each project under development or anticipated to begin by the end of the year. The Board also adopted three standards modifications, focused on critical infrastructure protection and energy assurance, and two new standards focused on extreme weather and energy assurance.

- Project 2023-04 Modifications to CIP-003-11 Cyber Security Management Controls mitigates the risks posed by a coordinated attack using distributed lowimpact Bulk Electric System cyber systems by adding controls to authenticate remote users, protect the authentication information in transit and detect malicious communications. This project received more than 85% consensus in the first ballot, allowing it to skip final ballot — the first time this has occurred since modifications allowing this action were added to the Rules of Procedure in November 2023.
- Project 2023-07 Transmission System Planning Performance Requirements for

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Extreme Temperature Events (TPL-008-1) ensures that planning entities are better prepared for the impacts of extreme hot and cold temperatures on the transmission system and addresses Federal Energy Regulatory Commission (FERC) Order 896.

- **Project 2021-03 Bulk Electric System Categorization (CIP-002-8)** provides improved risk identification by addressing the proper identification of Transmission Owner control centers that perform the functional obligations of a Transmission Operator, specifically those meeting medium-impact criteria.
- Project 2022-03 Energy Assurance with Energy Constrained Resources (BAL-007-1 and TOP-003-7) enhances reliability by requiring entities to perform energy reliability assessments to evaluate energy assurance and develop corrective action plans, operating plans or other mitigating actions to address identified risks in the operations time horizon.

Other Board Action

In response to a FERC directive, the Board authorized NERC to issue a cold weather data request under Section 1600 of the Rules of Procedure to collect and analyze generator data and submit an annual informational filing. The data request complements existing cold weather preparedness efforts, and the data will help evaluate what portion of a generator's fleet can perform at the extreme cold weather temperatures for the location, what portion is under a corrective action plan (and until when) and what portion will not be winterized due to declared constraints. In addition, FERC also directed NERC to assess actual performance of freeze protection measures during future extreme cold weather events and to develop an informational filing reporting annually on the data and analysis.

The Board also approved the *ERO Enterprise Long-Term Strategy*, which outlines four key focus areas and serves as a common input for NERC and the Regional Entities' business planning processes toward achieving a shared vision and mission. The strategy is intended to be enduring and used by the ERO Enterprise throughout multiple business planning cycles. The strategy was updated this year with input from more than 100 ERO Enterprise leaders, NERC and Regional Entity Board members and the Member Representatives Committee (MRC) and was endorsed by all Regional Entity boards. For NERC, the updated strategy will inform and guide its three-year plan and business plan and budget starting in 2026.

NERC's 2025 work plan priorities, which serve as NERC's goalposts for executing the third year of its 2023–2025 plan, also received approval from the Board. The 10 work plan priorities for 2025 are the result of a rigorous prioritization process that highlights NERC's continued focus on the most critical activities that will further each of the four focus areas: Energy, Security, Agility and Sustainability. NERC will report on progress throughout 2025.

Finally, the Board rolled out its new meeting cadence for 2026–2027. The new schedule addresses the length of time between the August and February meetings and will:

- Offset the lack of fourth quarter in-person engagement
- Better align with the MRC leadership and sector election calendar
- Allow for distribution of substantive topics across the year
- Provide opportunity to rethink one-off webinars (potentially move to in-person meetings)
- Provide an extra month between meetings with more opportunity for discussion ahead of the Board meetings



Board presentations may be found on the <u>Board of Trustees page</u> on NERC's website. The next Board meeting is scheduled for February 12–13, 2025, in Miami.

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Electricity is a key component of the fabric of modern society and NERC, as the Electric Reliability Organization, 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.