REview

May 2023

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From the Desk of the CEO

Several important reports about grid reliability are traditionally released each spring that our stakeholders should take the time to read.

ERCOT recently released its Seasonal Assessment of Resource Adequacy (SARA) for Summer 2023. At the top of the report ERCOT lays out the projected peak load for the upcoming summer season, which at 82,739 MW would be a new record for the Texas Interconnection. This figure is roughly in line with Texas' annual load growth of around two percent and echoes the expectations of ERCOT's Capacity, Demand and Reserves (CDR) report that was released last November. Compare that estimated peak load to the expected resource capacity, which is over 97,000 MW (an increase of more than six percent from 2022's resource capacity).

Soon, the North American Electric Reliability Corporation (NERC) will release the annual Summer Reliability Assessment (SRA). It identifies, assesses, and reports on areas of concern regarding the reliability of the bulk power system (BPS) for the upcoming summer season. While it takes a broader view of reliability across North America, it will also provide insight that is specific to our interconnection. Texas RE staff collaborate closely with NERC and the other Regional Entities on the creation of this valuable assessment that is intended to inform industry leaders, planners, operators, and regulatory bodies in their preparations to ensure BPS reliability.

In the coming weeks, Texas RE will be releasing its own annual report on reliability. The Assessment of Reliability Performance (ARP) is primarily a look back at our interconnection's performance in the previous year (so this report will cover 2022). The goal of the report is to identify current and future risk areas and prioritize them to promote actionable results for reliability improvement. It is based on information provided by registered entities for Section 1600 data requests, event reports for our region, and other ERCOT data. While the report principally gives longer-term trends and historical context, it also provides areas to monitor for existing and emerging risks to the interconnection. We'll be sure to announce both the SRA and ARP reports once each is released and will provide links to both on our website. We will also have a Talk with Texas RE webinar on May 23 covering the ARP, and another on May 30 on the Summer Outlook that will include a guest speaker from ERCOT.

These reports all provide valuable insight for electric reliability stakeholders as we move forward in one of the most important periods of time in Texas' power history. As we all know, the grid in our region is rapidly changing, which brings many new opportunities while also presenting new challenges. Texas is already the nation's leader in wind energy and it is expected to surpass California in installed solar capacity later this year (just recently, ERCOT set a new solar production record of almost 13,000 MW). But these inverter-based resources (IBRs) don't currently have the dispatchability of thermal units, and often being located far from demand sources stresses transmission. We will discuss many of these issues in greater detail at our upcoming Grid Transformation Workshop in July, so we hope to see you then.

Texas summers are hard on the grid and it takes everyone doing their part to keep the lights on and our critical infrastructure running. With that said, we should take some comfort in Texas' improving reserve margins, even if they do come with some caveats. I am confident that 2023 will be another good year for electric reliability in Texas.

Reliably,
Jim Albright

TEXAS RE
Ensuring electric reliability for Texans

Internal Controls for PRC-004-6 Compliance

By Navila Rahman, O&P Compliance Engineer

PRC-004-6 requires Transmission Owners, Generator Owners, and Distribution Providers to identify and correct the causes of Misoperations of protection systems for bulk electric system (BES) elements. Verifying these activities are completed in a timely manner is essential for ensuring the reliability of the grid. Below are some internal control recommendations that could help your organization in maintaining PRC-004-6 compliance:

- **Quickly** identify events and their underlying causes by gathering relevant data such as the event time and location, as well as the equipment involved with the event. Once the data is collected, it should be analyzed thoroughly to determine the root cause of the event. If the event is a Misoperation, the organization should develop a corrective action plan (CAP) and evaluate its applicability to other protection systems including other locations.
- **Develop** a process form that allows a structured approach to investigating and correcting the causes of Misoperations, as well as documenting the actions taken to prevent future occurrences. The form could be used to track the progress of the operation/Misoperation identification, CAP, evaluation of a CAP's applicability, and to ensure compliance deadlines are met.
- **Establishing** and documenting clear communication protocols and procedures between protection system operators, maintenance personnel, and other entities is important for identifying and correcting Misoperations. This could help ensure that everyone is aware of their responsibilities and can work together effectively.

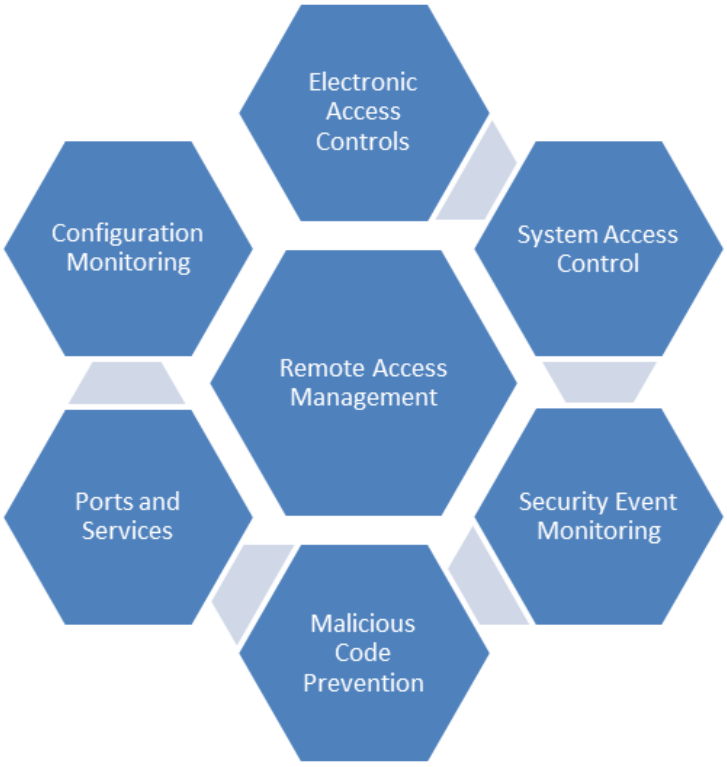
To comply with PRC-004, entities should retain specific documents and files to demonstrate that certain actions took place. Entities should document their analysis of **each** operation and confirm that their documents are dated. Additionally, entities should document the CAP and its applicability, ensuring that the date of documentation falls within 60 days of first identifying the cause of the Misoperation.

In summary, it is critical for entities to have a method to document steps in the process, including well defined paths of communication and proper documentation, to assist in compliance with PRC-004-6.

CIP-008-6: Attempts to Compromise

By Devin Kitchens, Compliance Team Lead

Modifications to CIP-008 are in progress to address the definition of "attempts to compromise." For more information related to the project, see the Project 2022-05 Modifications to CIP-008 Reporting Threshold project page. In the interim, Responsible Entities have discretion in defining the term.



Texas RE encourages Responsible Entities to consider using well-known indicators of compromise and indicators of attack as a starting point for defining attempts to compromise. These indicators could vary widely depending on the underlying technology deployed within a critical infrastructure protection (CIP) environment. However, the ability to detect and respond to these indicators may already be established as a part of a malicious code or malicious communication detection solution.

Detecting attempt(s) to compromise an applicable system is a crucial factor in ensuring the security and reliability of the BES. Texas RE encourages Responsible Entities to leverage and/or consider the security objective of CIP Standards when developing criteria to assess what is or is not an attempt to compromise.

Effective Mitigation for Most Commonly Reported PNCs: MOD-025

By Kaitlin Van Zee, Director of Enforcement

The last two newsletters highlighted effective mitigation themes for CIP-003 and PRC-005 potential noncompliances (PNC). Some of those previously discussed themes of effective mitigation are also applicable to MOD-025. In particular, automating processes, incorporating oversight into maintenance procedures, and periodic review of documentation and training are all improvements to MOD-025 compliance programs that can help to reduce the likelihood of a PNC recurrence and increase the likelihood of detection. Additionally, incorporating adequate lead times to your MOD-025 policy and procedures ensures that all required testing is completed prior to the deadline.

Automating processes, incorporating oversight into maintenance procedures, and periodic review of documentation and training:

The March article Effective Mitigation for Most Commonly Reported PNCs: CIP-003 noted that in instances where compliance has a temporal component, an effective method to ensure compliance is to automate reminders. The article also recommended that automated reminders be assigned to more than one employee and potentially escalate as the required deadline is approaching. With regards to MOD-025, these automated reminders should not only prompt completion of the testing, but also the deadline to submit the testing results to the registered entity's Transmission Planner (TP).

With regards to incorporating oversight into maintenance procedures, the April article Effective Mitigation for Most Commonly Reported PNCs: PRC-005 noted that in cases where tasks may be assigned to individual subject matter experts, an effective method to ensure testing occurs and all processes are followed is to include a secondary review of the task. Building in an oversight step, such as a management review, should also ensure that there is not a single point of failure. For MOD-025, a secondary review may be incorporated in the planning for testing as well to ensure that all required data fields are accounted for in both the actual test and the testing documentation.

The final theme previously discussed for this topic (periodic review of documentation and training) noted that where compliance is dependent on documentation, an effective method to ensure the documentation adequately demonstrates compliance is to periodically review the underlying forms and checklists. Pull previously completed forms or checklists as a part of a periodic review to look for either incomplete records or sections where the testing could be documented better. This review could improve forms and checklists to make it easier for personnel to understand and fully complete testing activities. Additionally, training on these forms and "lessons learned" from previously completed forms would ensure that personnel responsible for Real Power and Reactive Power testing complete all required data fields required by MOD-025 when performing the testing.

Incorporating adequate lead times:

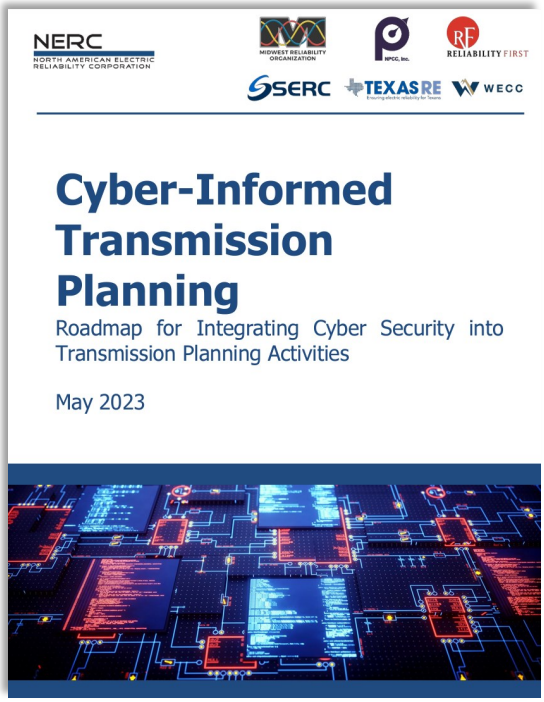
For Reliability Standards that may require coordinating testing with the registered entity's TP, like MOD-025, it is important to build in adequate time to ensure that the TP can accommodate the testing. Testing may require that a facility be unavailable for dispatch and a TP may need to make arrangements to procure other generation. Accordingly, planning for Real Power and Reactive Power testing may need to begin as early as 18 months prior to the deadline for testing.

Cyber-Informed Transmission Planning White Paper

NERC and the six Regional Entities have developed a white paper that introduces a cyber-informed transmission planning framework to provide a roadmap for integrating cybersecurity into transmission planning activities. The white paper addresses key focus areas deemed vital to the successful integration of security concepts into transmission planning practices and processes:

- Aligning terminology and definitions across security and engineering disciplines
- Mapping cybersecurity threats, vulnerabilities, and impacts to conventional transmission planning contingency definitions
- Analyzing the current state of cybersecurity considerations in long-term planning studies and recommending enhancements to existing standards
- Introducing the framework and thought processes for integrating cybersecurity concepts into transmission planning practices and processes
- Outlining a high-level roadmap for cybersecurity integration with long-term transmission planning practices, including recommendations for next steps

The full white paper is available here.



Level 3 NERC Alert for Cold Weather Preparations for Extreme Weather

On May 5, 2023, NERC held a live question and answer webinar to discuss the recent Level 3 NERC Alert for cold weather preparations for extreme weather events. The session was intended to help Reliability Coordinators (RC), Balancing Authorities (BA), Transmission Operators (TO), and Generator Owners (GO) in their readiness for extreme cold weather events and mitigate risk for the upcoming winter and beyond. Key focus areas included:

- Alert Background
- Essential Actions
- FAQ Document
- Alert Timeline

Compliance personnel who received the NERC Alert, which was distributed on May 15, 2023, must acknowledge their receipt by 11:00 p.m. Central on May 21, 2023. Reporting requirements for the alert are due on October 5, 2023, at 11:00 p.m. Central. If you have any questions, please send them to Latrice.Harkness@nerc.net.

Recording | Presentation

Combustion Turbine Anti-Icing Control Strategy

Unexpected icing due to intermittent interference from outside sources may present operating challenges. After an entity's investigation of an icing-over of a combustion turbine air inlet, it was determined that there were several situations where the original equipment manufacturer's anti-icing logic did not detect all potential icing conditions as currently designed.

For the full details on this incident, as well as corrective actions and the lessons learned, visit NERC's published Lesson Learned.

Spring Standards, Security, and Reliability Workshop

On April 27, 2023, Texas RE held its annual Spring Standards, Security, & Reliability Workshop. It featured subject matter experts from across Texas RE, as well as guest speakers from NERC and Evergy. Texas RE thanks everyone who helped make this another excellent outreach event.

The theme for this year's workshop was Internal Controls and featured a range of presentations approaching the important reliability topic from different perspectives such as the Compliance Monitoring and Enforcement Program (CMEP), risk, and CIP. If you weren't able to attend, or would like to review the presentations, the workshop materials and a recording are available on Texas RE's Training Page in the archived section.

Upcoming ERO Enterprise Outreach

MRO Reliability Conference – May 17, 2023
8:30 a.m. – 4:00 p.m. Central

On May 17, 2023, MRO will hold its annual Reliability Conference, which will be held at the MRO offices in Saint Paul, Minnesota, as well as online. This one-day conference will focus on bulk power system reliability topics across the industry and specific to the MRO region.

NPCC Spring Compliance and Reliability Webinar – May 18, 2023
12:00 p.m. – 3:00 p.m. Central

On May 18, 2023, NPCC will hold its Spring Compliance and Reliability Webinar. This webinar will cover various NERC compliance, enforcement, and reliability topics.

Grid Reliability Updates for States – May 23, 2023
2:00 p.m. – 3:00 p.m. Central

In this one-hour webinar, SERC experts will cover one of the most talked about electric reliability topics, Resource Adequacy, and impacts the changing environment has on reliability in the SERC footprint.

ERO Facility Rating Management Webinar – May 24, 2023
12:00 p.m. – 3:30 p.m. Central

The ERO Enterprise will host a webinar on the recent Themes and Best Practices for Sustaining Accurate Facility Ratings report. The discussion will include management best practices, and other facility rating mitigation approaches that will benefit registered entities with facility rating programs.

Annual Transmission Planning and Modeling Workshop – November 1-2, 2023

NERC, the North American Transmission Forum (NATF), and the Electric Power Research Institute (EPRI) will be holding their annual transmission planning and modeling seminar on November 1-2, 2023. This year's seminar will focus on bulk power system load modeling, integrated system planning practices, IBR risk mitigation, and updates on the latest research and activities across the industry.

The event will be held virtually. Registration information and additional details will be announced closer to the workshop.

Upcoming Texas RE Events

Texas RE MRC, AG&F, & Board Meetings – May 17, 2023
9:00 a.m. – 4:00 p.m. Central

On May 17, 2023, Texas RE will hold its quarterly meetings of the Member Representatives Committee (MRC); Audit, Governance, & Finance Committee (AG&F), and Board of Directors. All meetings will be held in-person at Texas RE's MetCenter location and virtually via Webex—registration is available here.

Talk with Texas RE: 2022 Assessment of Reliability Performance – May 23, 2023
1:30 p.m. – 2:30 p.m. Central

Join Texas RE's director of reliability assessment, Mark Henry, for a discussion of the 2022 Assessment of Reliability Performance, which is an annual report that assesses the reliability and adequacy of the bulk power system within the Texas Interconnection.

Talk with Texas RE: Summer Outlook – May 30, 2023
1:30 p.m. – 2:30 p.m. Central

High summer temperatures are a regular challenge for the grid in Texas. Join us for a discussion of expected conditions for the upcoming season.

Reliability 101 & 201 Webinar Series – June 2023

From June 5 – June 29, 2023, Texas RE will hold its annual Reliability 101 & 201 Webinar Series for stakeholders who are new to the industry, new to compliance, new to their role at their company, or are just looking for a refresher on compliance and enforcement basics.

Reliability 101 & 201 Schedule:

June 5:	Intro to Align
June 6:	Standards Development
June 8:	Compliance Monitoring
June 13:	Critical Infrastructure Protection (201)
June 14:	Foundations of Operations & Planning Programs
June 15:	Operations & Planning Programs (201)
June 20:	Risk-Based Approach to Reliability
June 21:	Improving Self-Reporting (201)
June 22:	NERC Data Submissions, Events Analysis, and Guidelines
June 27:	Initial Engagement Submissions
June 29:	Reliability Services (201)

Individual session information and registration is available here. Some of Texas RE's Reliability 101 topics from previous years will not be covered live, but recorded versions are available.

Recordings

History & Introduction to Texas RE
Registration & Certification
Foundations of CIP
Navigating Noncompliance Resolution

Standards Update

NERC Actions

On April 14, 2023, NERC submitted an Evaluation of the Physical Security Reliability Standard and Physical Security Attacks to the BPS to FERC. This report was directed by FERC in December 2022.

FERC Actions

On April 20, 2023, the Federal Energy Regulatory Commission (FERC) issued a Notice of Denial of Rehearing by Operation of Law and Proving for Further Consideration regarding a request for rehearing on the Extreme Cold Weather Reliability Standards (EOP-011-3 and EOP-012-1) approved by FERC on February 16, 2023.

Currently Posted Reliability Standards Projects

Project	Action	End Date
2023 Standards Process Manual Revisions to Address SPSEG Recommendations | Draft 2	Additional Ballot & Non-Binding Poll Comment Period	5/30/2023
Project 2017-01—Modifications to BAL-003 Phase II | Draft 2	Additional Ballot & Non-Binding Poll Comment Period	6/1/2023
Project 2021-01—Modifications to MOD-025 & PRC-019 | Draft 2	Additional Ballot & Non-Binding Poll Comment Period	6/6/2023

Upcoming Enforceable Standards

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Upcoming Events

Current Openings

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