

NEW YORK STATE RELIABILITY COUNCIL
MEETING 211: November 10th, 2016
Report for Agenda Item 8.1: Michael Forte
NPCC Board of Directors Report

The upcoming NPCC Board of Directors (BOD) meeting will be held on December 7th. The following is a summary of the NPCC BOD Policy Input from the most recent NPCC BOD meeting, held on October 25th.

NPCC Board of Directors Policy Input

The NERC Board of Trustees (Board) was seeking input on two reports (i) the *Electric Reliability Organization (ERO) Reliability Risk Priorities Report* and (ii) *2017–2020 ERO Enterprise Strategic Plan and Metrics*. The NPCC Board of Directors provided policy input on each of these reports.

I. ERO Reliability Risk Priorities Report

a. Summary

- i. The Reliability Issues Steering Committee (RISC) develops this annual report based on its identification of the key risks to the reliable operation of the bulk power system (BPS).
- ii. This report proposes relative priorities and provides input to the Board on recommended actions.
- iii. The following are the focus areas from the 2016 high, medium, and low risk profiles:

High Risk Profiles

- Cybersecurity Vulnerabilities
- Changing Resource Mix
- BPS Planning
- Resource Adequacy

Moderate Risk Profiles

- Loss of Situational Awareness
- Physical Security Vulnerabilities
- Extreme Natural Events

Low Risk Profiles

- Asset Management and Maintenance
- Human Performance and Skilled Workforce

b. NPCC Input and Recommendations

- i. NPCC supports the listing of identified risks and overall prioritization outlined in the *ERO Reliability Risk Priorities Report*.
- ii. NPCC stresses the importance of considering the cost effectiveness of potential risk mitigation strategies that could address multiple reliability threats.
- iii. NPCC concurs with the RISC's concern that the potential lack of future data visibility

contributes to a number of reliability risks and recommends targeted efforts to address the operational issues associated with the observability versus controllability of distributed energy resources (DERs).

- iv. NPCC continues to recommend that potential actions taken by NERC to address identified risks leverage the efforts already underway at the Reliability Coordinator, Planning Coordinator, and Regional Entity levels, by other industry groups and from other industries.

II. 2017 – 2020 ERO Enterprise Strategic Plan and Metrics

a. Summary

- i. The ERO Enterprise Strategic Plan and Metrics details the ERO Enterprise’s mission, vision, values, goals, and metrics as well as the planning process, direction, and priorities.
- ii. The ERO Enterprise annual planning process is informed by (1) NERC’s State of Reliability Report, (2) the ERO Reliability Risk Priorities Report, and (3) input from stakeholders, the NERC Board of Trustees, and Regional Entity Boards.

b. NPCC Input and Recommendations

- i. NPCC supports the overarching vision of a “highly reliable” and secure North American BPS, achieved through the identification, prioritization, and effective and efficient mitigation of risks.
- ii. NPCC recommends the prioritization of NERC’s efforts to develop sufficiency guidelines for Essential Reliability Services reflective of a more diverse resource mix and changing load behavior.
- iii. NPCC recommends, as a modification to the ERO Enterprise Reliability Metric #2, that any action plans proposed as a result of post-event gap analyses of standards and compliance monitoring should include non-standard related risk mitigation measures.