

NAGF News April - June 2023



Regulatory Advocacy and Collaboration - The NAGF continues to engage FERC, NERC, and Regional Entities through increased communications and participation on industry initiatives. During 2Q2023, the NAGF worked with membership to develop and provide formal comments regarding a number of active NERC projects and draft NERC Alerts thus helping to ensure that the technical capabilities, constraints, and economics of generator equipment are considered in the development of reliability policy.

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NAGF 2023 Annual Compliance Conference

Planning for the 13th Annual North American Generator Forum Compliance Conference is under way. The dates and location have been confirmed – **October 10-12, 2023 at NERC's Offices in Atlanta, Georgia**. The Annual Meeting Planning Committee welcomes all who volunteer to participate and support this important activity. Meeting topics/presentations, sponsors, and meeting logistics are just a few of the activities the planning committee will be addressing. An email will be sent out to NAGF membership soon to solicit input on the annual meeting agenda and topics. If there are topics or presentations that you feel should be considered for the annual meeting, please contact Venona Greaff venona_greaff@oxy.com.

New NAGF Members

The following companies have joined the NAGF during 2Q2023:

Calpine
Cooperative Energy

NAGF Activities

1. NAGF Formal Comments regarding NERC Projects
During the 2Q2023, the NAGF has been actively engaged in the following NERC Projects to help ensure the generator sector perspective is heard and understood:
 - Project 2017-01: BAL-003 Phase II
[Project 2017-01 Modifications to BAL-003 - Phase II \(nerc.com\)](#)
The proposed revisions would make the Interconnection Frequency Response Obligation (IFRO) calculations and associated allocations better reflect current conditions and better consider characteristics affecting Frequency Response (FR) (e.g., load response, mix and type of generation). In addition, the proposed modifications seek to include all applicable entities appropriate in light of the revised requirements and make IFRO and FRM allocations as equitable as possible. The NAGF Standards Review Team led the effort to review the proposed BAL-003 Draft #2 modifications and develop formal comments which were submitted during the formal comment period that ended June 1, 2023. The ballot for the Draft #2 modifications did not pass. The NAGF SRT will continue to monitor this project and keep membership informed.
 - Project 2021-01: Modifications to MOD-025 and PRC-019
[Project 2021-01 Modifications to MOD-025 and PRC-019 \(nerc.com\)](#)
The purpose of this project is to modify MOD-025-2 to ensure that data provided through verification activities performed by applicable Generator Owner or Transmission Owners produce suitable data for the purposes of developing accurate planning models in Transmission Planner and Planning Coordinator reliability studies. PRC-019, which addresses coordination of control systems and protective functions, will be modified to include coordination of distributed energy resources. The NAGF submitted formal comments on the proposed Draft 2 MOD-025/PRC-019 modifications during the formal comment period that ended June 8, 2023. The Draft #2 ballot did not pass for either of the proposed standards. The NAGF SRTWG will continue to monitor this project and keep membership informed.
 - Project 2021-02: Modifications to VAR-002
[Project 2021-02 Modifications to VAR-002-4.1 \(nerc.com\)](#)
The scope for this project is to revise VAR-002 to address issues regarding whether the Generator Operator of a dispersed power resource must notify its associated Transmission Operator upon a status change of a voltage controlling device on an individual generating unit; for example, if a single inverter goes offline in a solar facility. The NAGF worked with membership to develop formal comments for the proposed VAR-002-5 Draft #2 which were submitted during the comment period that

ended 6-23-2023. The ballot for the proposed VAR-002 Draft #2 did not pass. The NAGF VRWG will continue to monitor this project and keep membership informed.

- Project 2021-06: Modifications to IRO-010 and TOP-003
[Project 2021-06 Modifications to IRO-010 and TOP-003 \(nerc.com\)](#)
The purpose of this project is to simplify administrative burdens identified with the current IRO-010-2 and TOP-003-3 standards and limit unnecessary data requirements that do not contribute to BES reliability and resiliency.
The NAGF held a webinar on June 6, 2023 with membership to gather input for comment development regarding the proposed IRO-010 & TOP-003 Draft #2 modifications. NAGF formal comments were finalized and submitted to NERC during the formal comment period that ended June 20, 2023. The Draft #2 ballot passed for both of the proposed standards. The NAGF SRT is also leading efforts regarding this project and will keep membership informed as this project progresses.

- Project 2021-07: Extreme Cold Weather Grid Operations, Preparedness and Coordination
[Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination \(nerc.com\)](#)
The focus of this project is to address the nine (9) reliability related findings for new or enhanced NERC Reliability Standards proposed by the report from the Federal Energy Regulatory Commission (FERC), NERC, and Regional Entity Joint Staff Inquiry into the February 2021 Cold Weather Grid Operations published November 16, 2021.
Phase 1 of this project concluded with FERC approving the revised EOP-011-3: Emergency Operations and the new EOP-012-1: Extreme Cold Weather Preparedness and Operations standards at its February 16, 2023 meeting. In addition, FERC directed NERC to improve the new Reliability Standard EOP-012-1 to clarify certain language, enhance certain Standard requirements, include criteria on permissible constraints, and identify the appropriate entity that would receive the generator owners' constraint declarations under the Standard. The Project 2021-07 Standard Drafting Team is addressing these FERC directives as well as other activities in the current Phase 2 efforts.
The NAGF CWPWG is currently reviewing the proposed EOP-010-2 Draft #1 and working with members to gather input as part of the NAGF comment development process. A webinar is scheduled for July 7th to discuss an updated draft of NAGF comments. The NAGF Cold Weather Preparedness Working Group is monitoring this project and will continue to keep membership informed.

- Project 2022-02: Modifications to TPL-001 and MOD-032
[Project 2022-02 Modifications to TPL-001 and MOD-032 \(nerc.com\)](#)
The scope for this project was expanded to include modifying TPL-001-5.1 Footnote 13.d to enhance the exclusion language to include "any non-redundant components of the control circuitry that are both monitored and reported" in addition to the current exclusion of the single trip coil. The proposed modification will reduce the burden on the DP, GO, and TO that would be required to install redundant control circuitry to ensure the BES will operate reliably over a broad spectrum of system conditions and following a wide range of probable contingencies that are studied under the TPL-001-5.1. The NAGF SRT Working Group worked with membership to develop NAGF formal comments. The NAGF formal comments were submitted to NERC during the comment period that ended June 12, 2023. The NAGF SRT will continue to monitor this project and keep membership informed accordingly.

- Project 2023-03: Internal Network security Monitoring (INSM)
[Project 2023-03 Internal Network Security Monitoring \(INSM\) \(nerc.com\)](#)
This purpose of this project is to create new or modify existing CIP Reliability Standards to require INSM for all high impact BES Cyber Systems and medium impact BES Cyber Systems with External Routable Connectivity (ERC) to ensure the detection of anomalous network activity indicative of an attack in progress. The NAGF CIP Working

Group held a webinar on April 21, 2023 to gather membership input for developing draft NAGF comments regarding the draft Standard Authorization Request (SAR). The NAGF finalized and submitted its comments during the formal comment period that ended May 5, 2023. The NAGF CIPWG will continue to monitor this project and keep membership informed accordingly.

- **Project 2023-04: Modifications to CIP-003**
[Project 2023-04 Modifications to CIP-003 \(nerc.com\)](#)
The purpose of this project is to enhance low impact BES cyber systems to further mitigate a coordinated attack risk. This project will revise CIP-003-9 to add controls to authenticate remote users, protect the authentication information in transit, and detect malicious communications for assets containing low impact BES Cyber Systems with external routable connectivity. The NAGF CIP Working Group held a webinar on April 28, 2023 to gather membership input for developing draft NAGF comments regarding the draft Standard Authorization Request (SAR). The NAGF finalized and submitted its comments during the formal comment period that ended May 15, 2023. The NAGF CIPWG will continue to monitor this project and keep membership informed accordingly.

2. NAGF Bi-Weekly News Bullets

As part of the on-going effort to communicate GO/GOP regulatory and reliability issues of importance to NAGF membership in a timely manner, the NAGF continues to provide a short biweekly email identifying important current or upcoming activities.

If you have any feedback or a topic to suggest for the bi-weekly news bullets communication, please contact Wayne Slippery, NAGF COO/Executive Director wsipperly@generatorforum.org.

3. NAGF 2Q2023 Quarterly Member Webinar

The NAGF has quarterly webinars to enhance communication and engage NAGF members regarding recent NAGF activities, upcoming initiatives, and acquire member feedback regarding activities of interest. The second quarter webinar of 2023 was held on June 27th with over 40 participants. Items discussed included NAGF commenting on active NERC Projects, NAGF Policy Input for the May 2023 NERC MRC/BOT meeting, the NERC Level 3 Essential Actions Alert on Extreme Cold Weather, and the NERC Internal Network Security Monitoring (INSM) Data Request. The agenda/meeting minutes are available in the NAGF website file cabinet under the 'NAGF Meetings Information\Quarterly Member Meetings\2023' folder and are posted on the members-only dashboard home page. Please contact Wayne Sipperly, NAGF Executive Director wsipperly@generatorforum.org for more information.

4. NAGF Communications to Members

During the 2Q2023, the NAGF continued to provide members notifications regarding important current or upcoming reliability and resiliency activities, educational opportunities, and opportunities to shape future policy:

- NAGF Bi-Weekly News Bullets
- NERC Projects – NAGF comment development notifications
- Draft NERC Alerts for NAGF review/comment
- Working Group Monthly Webinar reminders

Working Groups

The NAGF currently has six (6) Working Groups. A short summary of 2Q2023 Working Group activities is provided below along with Working Group Leader's contact information if you would like to join the group:

Cold Weather Preparedness

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The CWP working group's primary focus is on NERC Cold Weather initiatives and the development of generator cold weather materials for membership. This working group is currently focused on Phase 2 of NERC Project 2021-07: Extreme Cold Weather Operations. During the 2Q2023, this working group continued to hold monthly webinars to share updates on Phase 2 developments. In addition, this working group began holding webinars with working group members to review the proposed EOP-012-2 modifications. The next meeting for this working group is scheduled for July 19, 2023. This working group meets monthly and is open to all NAGF members.

CIP

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The CIP Working Group is charged with reviewing cyber security issues that impact the generation sector. During 2Q2023, this working group continued to monitor the following NERC projects under development:

- Project 2016-02: Modification to CIP Standards
- Project 2020-04: Modifications to CIP-012
- Project 2022-05: Modifications to CIP-008 Reporting Thresholds

In addition, webinars we held to review and gather input as part of the NAGF formal comment development process for the following projects:

- Project 2021-03: CIP-002 Unofficial Comment Form
- Project 2023-03: INSM SAR
- Project 2023-04: Modifications to CIP-003 SAR

This working group holds monthly meetings on the second Tuesday of every month (meeting information is located on the NAGF website event calendar). The next meeting will be held on July 11, 2023.

Markets and Policy

Leadership Opportunity

The focus of this new working group is on FERC, NERC, and other government entity activities that impact the energy markets as well as energy policies applicable to electric generators. The kick-off webinar for this new working group is anticipated to occur in 3Q2023 and is open to all NAGF members, especially those with regulatory policy experience.

Physical Security

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The NAGF Physical Security working group is focused on sharing of generator physical security issues as well as promoting physical security practices, threat mitigation strategies, incident prevention/response, training, and other relevant topics to enhance generator physical security and reliability. This working group held its quarterly webinar on April 27th during which items discussed included E-ISAC Physical Security trends, North Carolina substation attack, and the NERC Physical Security Submittal to FERC. The next meeting/webinar is anticipated to occur in the 3rd quarter 2023. This working group meets quarterly and is open to all NAGF members.

Standards Review Team

Leadership Opportunity

The Standards Review Team (SRT) works directly with NERC to address Generator Owners and Generator Operators' concerns regarding enforceable standards and standards under development. The SRT is currently reviewing the following projects:

- Project 2016-02 Modifications to CIP Standards
- Project 2017-01 Modifications to BAL-003-1.1
- Project 2019-04 Modifications to PRC-005-6

- Project 2020-04: Modifications to PRC-024-4
- Project 2020-04 Modifications to CIP-012
- Project 2020-06 Verifications of Models and Data for Generators
- Project 2021-01 Modifications to MOD-025 and PRC -019
- Project 2021-02 Modifications to VAR-002
- Project 2021-06 Modifications to IRO-010 and TOP-003
- Project 2021-07 Extreme Cold Weather Grid Operations
- Project 2021-08 Modifications to FAC-008
- Project 2022-02 Modifications to TPL-001 and MOD-032
- Project 2022-03: Energy Assurance with Energy-Constrained Resources
- Project 2022-05: Modifications to CIP-008 Reporting Thresholds
- Project 2023-01 EOP-004 IBR Event Reporting
- Project 2023-02 Performance of IBRs
- Project 2023-03 INSM
- Project 2023-04 Modifications to CIP-003

The SRT generally meets on the first Wednesday of every month and is open to all NAGF members (meeting information is located on the NAGF Group site event calendar). The next monthly meeting is scheduled for July 12, 2023.

Variable Resources

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North America

The Variable Resources Working Group’s focus is on NERC Reliability Standards implementation and best practice sharing for utility scale Variable Resources (mainly for wind and solar) connected at transmission voltages of 100kV or greater. Distributed Energy Resources (DER) topics are also welcomed in this working group. During 2Q2023, topics included Project 2021--07 status updates, active NERC Projects on IBRs, recent NERC Alerts, and the NERC MRC/BOT May 2023 meeting. This group is open to all NAGF members and occurs on the fourth Wednesday of every month (meeting information is located on the NAGF website event calendar). The next meeting will be held on July 26, 2023.

NAGF Opportunities to Influence

What can the NAGF do to provide value to its members? Challenging generator compliance, operations, or equipment technical issues are unlikely to be unique and membership input on such issues helps to define the direction of the organization as well as provide value to its members. Important issues can be raised via the NAGF Group site Discussion Board, through working group participation, or by contacting Wayne Slippy, NAGF Executive Director at: wsipperly@generatorforum.org.

FERC and NERC Activity Highlights

1. **NERC MRC and BOT Meeting – NAGF Policy Input Submittal and Activity Update**
 The NAGF developed and submitted Policy Input to the NERC Member Representatives Committee (MRC) and Board of Trustees (BOT) in preparation for the NERC BOT meeting on May 11, 2023. The NAGF Policy Input submittal identified several items that we believe are key to promoting improved alignment between the subject matter experts, the MRC, trade associations, industry leadership, and NERC on key standards ballots. The NAGF policy input submittal can be found in the NAGF website file cabinet under the “NERC Board Reports\2023\May” directory.
2. **NERC Section 1600 Data Request for Internal Network Security Monitoring (INSM)**
 Pursuant to NERC Rules of Procedure Section 1600, NERC is requiring responses to a data request regarding internal network security monitoring. This data request is in response to a FERC directive in Order No. 887 to conduct a study on the risks of the lack of, and challenges to implementing, internal network security monitoring for medium impact Bulk Electric System (BES) Cyber Systems without External Routable Connectivity and for all low-impact BES Cyber Systems. Registered entities have

60 days to provide finalized responses. One response is required for each NERC Compliance Registry (NCR). More information, including the complete data request, is available [here](#).

3. NERC Releases Essential Action Alert Focused on Cold Weather Preparations

On May 15, 2023, NERC issued a Level 3 Essential Actions alert, ***Cold Weather Preparations for Extreme Weather Events III***. The purpose of the Level 3 Alert is to increase the readiness of Reliability Coordinators, Balancing Authorities, Generator Owners, and Transmission Operators for mitigating operational risk for winter 2023–2024 and beyond. The alert contains a set of eight specific actions that NERC determined to be essential for certain segments of owners, operators or users of the grid to undertake to ensure its reliable operation. Entities registered under the functional groups denoted in the alert are required to acknowledge receipt of the alert and respond to the Essential Actions and a series of questions related to their preparedness. NERC advises that all registered entities – not just those required to respond – review the alert on the NERC’s website for applicability to their operations. NERC also [posted materials](#) from a May 5 webinar on the topic. In addition, NERC has published an [FAQ document](#) to address some of the common concerns heard during development of the alert and to provide more clarity for the level 3 alert Essential Actions and questions.

4. FERC Approves Incentive Rate Treatment for Cybersecurity Investments

On April 20, 2023, FERC issued a final rule providing incentive-based rate treatment for utilities making certain voluntary cybersecurity investments. The rule follows Congress’ direction under the Infrastructure Investment and Jobs Act of 2021 that the Commission revise its regulations to establish incentive-based rate treatments to encourage utilities to invest in advanced cybersecurity technology and participate in cybersecurity threat information sharing programs for the benefit of consumers. [FERC Approves Incentive Rate Treatment for Cybersecurity Investments | Federal Energy Regulatory Commission](#)

5. Save the Date: Joint NERC, FERC Physical Security Technical Conference

NERC and the Federal Energy Regulatory Commission (FERC) will host a joint Physical Security Technical Conference on **August 10** at NERC’s Atlanta office. The staff-led technical conference is in response to a recommendation in NERC’s ***Evaluation of the Physical Security Reliability Standard and Physical Security Attacks to the Bulk Power System*** that was filed with FERC in April. The report evaluates CIP-014-3, NERC’s physical security standard, and recent physical security attacks on the bulk power system. The all-day technical conference will solicit input on the type of substation configurations that should be studied to determine whether additional substations should be included in the standard’s applicability criteria. The technical conference also seeks to establish data needs for conducting those studies. Additional details and agenda to follow.