


To: NERC Board of Trustees (BOT)
From: Thomas J. Galloway, NATF President and CEO 
Date: January 13, 2019
Subject: NATF Periodic Report to the NERC BOT (February 2020)
Attachments: NATF External Newsletter (January 2020)

The NATF interfaces with the industry as well as regulatory agencies on key reliability and resiliency topics to promote collaboration, alignment, and continuous improvement, while reducing duplication of effort. Some examples are highlighted below and in the attached January NATF external newsletter, which is also available on our public website: www.natf.net/news/newsletters.

Pilot Collaborations with Regions

The ERO and NATF have committed to working together under the April 2019 memorandum of understanding to advance our mutual objectives, leverage different strengths, and minimize duplication of effort. This involves a range of topics such as conducting joint workshops on various topics and NATF development of implementation guidance for selected standards. It also involves deeper collaboration, including with Regional Entities, on higher-tier risks.

In the July 2019 NATF-NERC leadership meeting, NERC CEO Jim Robb identified two specific high-priority topics for collaboration that would engage the regions—facility ratings and entity supply chain risk mitigation. In August, during a meeting with the Regional CEOs, it was determined to pilot collaborative activities on these topics with two specific regions: RF and SERC. The entity supply chain risk mitigation topic will likely consist of informational webinar(s) and a jointly sponsored workshop in each of the two regions.

Supply Chain Cyber Security Assessment Model

The NATF and other industry organizations have worked together to produce guidance and tools to address various steps in the supply chain cyber security risk assessment lifecycle (as shown in figure 1).¹



Figure 1: The Supply Chain Cyber Security Risk Assessment Lifecycle

¹ In its August 2017 resolution adopting the supply chain standards, the NERC board of trustees requested NATF and other industry organizations to develop and share “best and leading practices in cyber security supply chain risk management, including procurement, specification, vendor requirements, and managing existing equipment activities.” (See [NERC Board of Trustees’ Resolution](#))

In particular, the NATF has created a supplier cyber security assessment model that:

1. Establishes criteria entities may use to evaluate supplier cyber security practices (the NATF Criteria)
2. Suggests how entities obtain assurance of the supplier’s adherence to the criteria

The NATF model and complementary products from other organizations provide tools for good cyber security practices that, executed properly, ensure compliance with the NERC supply chain reliability standards,² which become effective on July 1, 2020. Many of the criteria exceed what is required for compliance. An overview of the industry coordination efforts and the model will soon be posted to a new supply chain cyber security page on the NATF public site.

The coalition of industry organizations has agreed to cooperate on several activities in 2020, which will be described in the overview document. For example, the NATF, along with the industry organizations, will conduct webinars in late January and early February to provide an overview of the model and associated activities. More information on the webinars will be forthcoming.

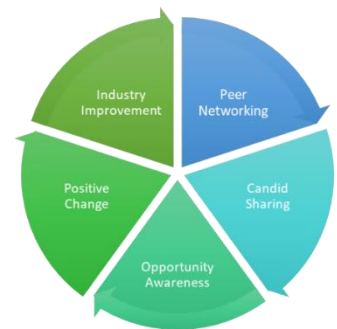
Transmission Resiliency Maturity Model

The NATF has been working with the Electric Power Research Institute, the Department of Energy, and Pacific Northwest National Lab to develop a transmission resiliency maturity model as a tool that a transmission organization can use to objectively evaluate and benchmark its currently established transmission resiliency policies, programs, and investments, in order to target and prioritize enhancements where needed. A draft of the model has been created and is being piloted by NATF member companies over the next few months. Version 1 is planned for release to industry mid-year.

NATF's 100th Peer Review

In February, the NATF will mark an organizational milestone by conducting its 100th peer review. The NATF Peer Review Program has evolved significantly since the first peer review in October 2008, and members provide consistently positive feedback on the program and the insights shared.

NATF peer reviews are diagnostic assessments of member companies with the goal of elevating programs towards excellence. NATF review teams, comprising the members’ own subject-matter experts, conduct periodic, confidential evaluations of the NATF member organizations (which we refer to as the “host”). Each review consists of months of advance planning and preparation, two to four days of onsite interviews and observations, followed by a report to the host member’s executives and staff. Noteworthy practices are brought back to NATF practice groups for prospective emulation, and specific improvement recommendations are provided to the host—often totaling 75 or more specific recommendations across four to nine technical areas. In addition, peer review team members consistently bring valuable information back to their home organizations and build new peer relationships.



² In response to FERC Order No. 829, NERC Reliability Standards Project 2016-03 Cyber Security Supply Chain Risk Management developed new Reliability Standard CIP-013-1 and modified Reliability Standards CIP-005-6 and CIP-010-3, which collectively have become known as the “supply chain standards.”

At six months and one year following a review, staff meets with the host member to discuss implementation of the recommendations. Since we began this tracking in 2014, which is done to understand the “realized value” of the reviews, hosts have reported that close to 70% of the recommendations provided are fully or partially implemented or planned for future implementation.

North American Transmission Forum External Newsletter

January 2020

NATF Marks Tenth Anniversary as an Independent Corporation

Following the August 2003 blackout that impacted systems in the midwestern and northeastern United States and Ontario, Canada, several major transmission owners and operators met to discuss ways to improve reliability. Other organizations joined the original group to form the Transmission Owners and Operators Forum within the North American Electric Reliability Corporation (NERC) to "...improve the reliability and security of the bulk power system by facilitating the pursuit of operational excellence through a forum where transmission owners and operators can identify and exchange information on best practices for reliable operations, evaluate their own performances against those best practices, disseminate lessons learned from disturbances and near misses, and facilitate the utilization of such information in a timely manner, among other things."

To promote increased candor and opportunities for peer challenge, members decided to become independent from NERC and, on January 1, 2010, began operating as the North American Transmission Forum, Inc., a nonprofit 501(c)(6) organization. Since 2010, the NATF has grown to over 160 members and affiliate organizations representing about 80% of the transmission circuit miles rated at 200 kV and above in the United States and Canada.

Today, the NATF is a leader in the electric transmission industry through its programs to enable member collaboration and information sharing for continuous improvement and its work—both independently and through numerous partnerships—to address emerging industry risks and challenges.

Cyber Security and Supply Chain Guidance Posted

The "NATF Transient Cyber Asset Guidance" and "NATF Vendor Remote Access Guidance" documents have been posted to the NATF [public website](#) for industry use.

"NATF Transient Cyber Asset Guidance" describes practices and provides examples of approaches for using transient cyber assets in compliance with CIP-010 R4. "NATF Vendor Remote Access Guidance" describes practices and provides examples for determining and disabling active vendor remote access sessions, which can serve as considerations and potential approaches for implementing the requirements in CIP-005-6 R2 parts 2.4 and 2.5.

Both documents have been submitted to NERC for consideration as Implementation Guidance as approaches to comply with the related standards.

Equipment Problem Coding Document Posted

The "NATF Equipment Problem Coding Process Reference Document" has been posted to the NATF [public website](#) for industry use.

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The document provides a standard framework for coding the nature of field-observed equipment failures and problems of in-service equipment. Standardized recording of equipment issues enables better analysis and data sharing and maximizes the usefulness of historical data.

NATF Adds New Equipment-Sharing Program

RESTORE (Regional Equipment Sharing for Transmission Outage Restoration) is an agreement governing a voluntary initiative among certain electric transmission owners who desire to share spare transformers and other equipment for purposes of safeguarding against potential threats and risk of significant damage to the country's energy resources, including the electrical power grid. The approach is an extension of the well-established industry practice of mutual aid following a significant event. RESTORE is an optional, self-funding program now available to NATF members.

Workshops and Meetings

In addition to regular web conferences, NATF groups conduct periodic workshops and in-person meetings. Recent and upcoming activities include:

- Vegetation Management Workshop (October 2019)
- Human Performance Improvement Workshop (October 2019)
- EPM Substation Equipment and Asset Management Workshop (October 2019)
- System Operations and Operations Tools Workshop (October 2019)
- Board and Members Meeting (December 2019)
- NATF-EPRI-NERC Transmission Resiliency Summit (March 2020)

Redacted Operating Experience Reports

Since our last newsletter, we have posted five reports to our [public site](#) for members and other utilities to use internally and share with their contractors to help improve safety, reliability, and resiliency.

For more information about the NATF, please visit www.natf.net.