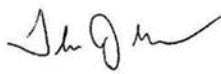


To: NERC Board of Trustees (BOT)

From: Thomas J. Galloway, NATF President and CEO 

Date: January 17, 2024

Subject: NATF Periodic Report to the NERC BOT (February 2024)

Attachments: NATF External Newsletter (January 2024)

The NATF interfaces with the ERO as well as other external organizations on key reliability, resiliency, security, and safety topics to promote improvement while reducing duplication of effort. Some examples are listed below and in the attached NATF external newsletter, which is also available on our public website:

www.natf.net/news/newsletters.

NATF-ERO Leadership Meetings

To promote effective coordination, NATF and ERO leadership meet periodically to discuss topics and activities. The most-recent meeting occurred October 24, 2023. Topics included an E-ISAC update, the 2023 NERC RISC report and risk registry, cross-regional transfer capability study, inverter-based resources, and security (cyber, physical, and supply chain).

Planning is underway for a face-to-face strategy session in April. Potential topics include an ERO risk registry overview, RISC report mitigation activities, and related areas for NATF leadership as we continue to collaborate with the ERO.

Transmission Planning and Construction

In its *2023 Long-Term Reliability Assessment* summary, NERC noted a priority action to “expand the transmission network to provide more transfer capability and deliver supplies from new resources and locations to serve changing loads.” While the NATF mission is focused on promoting excellence in (safe, reliable, secure, and resilient) operations, we work on topics such as asset management and are discussing ways to support members regarding the transmission buildout needed for the transformation of the grid.

To support NERC, the NATF provided feedback during the request for comments on the draft technical justification document and related standards authorization request on scenario-based transmission planning (“Transmission Planning Energy Scenarios”).

As noted in the attached newsletter, we also coordinate with NERC and the Electric Power Research Institute on industry seminars related to transmission modeling and planning.

Inverter-Based Resources

Both the NATF and NERC are working on aspects of the grid’s changing resource mix. During recent leadership meetings, NATF and ERO leadership discussed options for coordination related to the increase of inverter-based resources, a key part of grid transformation. A particular focus will be managing interconnection requests, studies, and agreements—and ensuring that new inverter-based facilities are built, commissioned, and continue to operate in accordance with these agreements.

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Security

Security is vital to grid operations, and the NATF maintains multiple practice groups (physical, cyber, and supply chain) to support members and advance knowledge. We share information internally and [externally](#), support a broad-reaching industry effort for [supply chain cyber security](#), coordinate with the E-ISAC (e.g., Manny Cancel attended the NATF's December members meeting), and participate in industry events, such as GridEx and technical conferences. A few relevant physical and cyber topics are noted below.

Physical Security

We are working closely with members on asset protection with the understanding there is not a one-size-fits-all approach in this area. We are discussing methods of assigning facilities to tiers that reflect their importance and determine the required levels of protection.

NATF CEO Tom Galloway participated as a panel member for the “Best Practices and Operational Preparedness” portion of the joint (NERC and FERC) physical security technical conference on August 10. NATF staff submitted post-conference comments reaffirming that CIP-014 requirements should be reserved for a very specific subset of industry assets and that any further security requirements should be risk-based.

Cyber and Supply Chain Security

We are following efforts related to virtualization and internal network security monitoring and are prepared to support our members accordingly. Regarding supply chain, we have started a project to map NATF criteria to established security frameworks (see more in the attached newsletter).

North American Transmission Forum External Newsletter

January 2024

NATF Welcomes Missouri River Energy Services and ATCO Electric

Missouri River Energy Services (MRES) and ATCO Electric are the newest NATF members. MRES is a municipal utility providing energy to 61 member distribution systems in Iowa, Minnesota, North Dakota, and South Dakota. ATCO is an investor-owned utility operating approximately 6,000 circuit miles of transmission line rated at 100 kV and above in north and east-central Alberta. Click [here](#) to learn more about NATF membership.

Annual NERC-NATF-EPRI Transmission Planning and Modeling Seminar

The NATF, North American Electric Reliability Corporation (NERC), and Electric Power Research Institute (EPRI) conducted an annual transmission planning and modeling seminar on November 1–2, 2023. This virtual event focused on bulk power system load modeling, integrated system planning practices, inverter-based resource risk mitigation, and updates on the latest research and activities across the industry. Materials (for [day 1](#) and [day 2](#)) are posted on NERC's website.

NERC-NATF-EPRI Extreme Weather Transmission Planning and Modeling Seminar

On January 17, 2024, the NATF, NERC, and EPRI will host a seminar to focus on weather and climate data criteria and characteristics needed to establish network models for extreme weather per FERC Order 896 and cover how to identify and develop benchmark planning cases for extreme heat and cold. The standard drafting team for TPL-008 will release the draft standard for review in February 2024, and this event will provide context and the scientific basis for decisions included in the standard.

Additional topics include transmission planning practices for developing weather-impacted power flow cases and the science behind climate-impacted weather data in the long-term transmission planning timeframe (offered by climate experts from national labs and agencies).

[Registration](#) is open and a draft agenda is posted [here](#).

NATF Supplier Outreach and Coordination

The NATF continues to promote good supply chain security practices and examples through its collaborative work with industry suppliers. On November 6–7, 2023, the NATF hosted a virtual supplier sharing seminar covering national strategies and practical applications regarding supply chain. Stephanie Johnson (program manager of supply chain risk management at CESER/DOE) provided keynote remarks. Other topics included national strategy, international suppliers, regulations, risk management with customers, software bills of materials, certification, and cloud security. Materials are posted on the NATF's [Supply Chain Cyber Security Industry Coordination website](#).

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Supply Chain Resources: Revision Process and Mapping Project

Revision Process Underway

The annual revision process for the *NATF Supply Chain Security Criteria* and the *Energy Sector Supply Chain Risk Questionnaire* is underway. The revision process, the criteria, and the questionnaire are posted on the NATF's public [Supply Chain Cyber Security Industry Coordination site](#). The process is open to industry, suppliers, regulators, and other stakeholders to provide the opportunity for input.

These tools are useful for risk management and compliance efforts. Both the criteria and the questionnaire are incorporated into the ERO Enterprise-endorsed implementation guidance documents for CIP-013 (available on the NERC website and the NATF public website):

- [NATF CIP-013 Implementation Guidance: Using Independent Assessments of Vendors](#)
- [NATF CIP-013 Implementation Guidance: Supply Chain Risk Management Plans](#)

These implementation guidance documents support using the criteria and questionnaire in a risk-based manner, where the entity determines which criteria or questions apply for a procurement.

Input on the criteria and questionnaire can be submitted to supplychain@natf.net until close of business January 26 for consideration in the 2024 review cycle. Revisions will be posted in redline format on March 8 for a 30-day comment period.

Coming Soon: Mapping of NATF Criteria and Questionnaire to Established Security Frameworks

The NATF has engaged subject-matter experts to update the mapping of the NATF criteria to established security frameworks (e.g., ISO 27000, ISA/IEC 62443, NIST, SOC2, CIP). The project will also include a mapping of the questionnaire to those same frameworks. The updates should be available this spring.

Upon completion and posting, these mappings will facilitate industry and suppliers' ability to leverage existing security certifications many suppliers obtain. This effort aligns with the NATF's supply chain objectives of convergence and efficiency by taking advantage of existing certifications rather than creating a new certification for establishing reasonable assurance of supplier security practices. The NATF plans to conduct a special webinar for its members, industry, and suppliers to provide an overview of the mapping and its potential applications.

For more information about the NATF, please visit <https://www.natf.net/>.