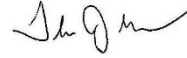


To: NERC Board of Trustees (BOT)
From: Thomas J. Galloway, NATF President and CEO
Date: July 16, 2019
Subject: NATF Periodic Report to the NERC BOT (August 2019)
Attachments: NATF External Newsletter (July 2019)



The NATF interfaces with both the industry and regulatory agencies on key reliability and resiliency topics to promote collaboration and continuous improvement. Some examples are highlighted below and in the attached July NATF external newsletter, which is also available on our public website at www.natf.net/news/newsletters.

Projects and Documents

Supply Chain Cyber Security

NATF work in this area is geared to establish overall guidance and a common set of cyber security parameters for supply chain products and services specific to the electric industry that entities can use for effective and efficient management of evolving cyber security supply chain risks to reliability.

Guidance

To-date, we have published two documents to our public website for industry use:

1. Cyber Security Supply Chain Risk Management Guidance
2. NATF CIP-013-1 Implementation Guidance (Version 2)

As noted in the attached newsletter, the “NATF CIP-013-1 Implementation Guidance” is now listed as “ERO Enterprise-Endorsed Implementation Guidance.” We appreciate the efforts of NERC staff to move this document through the review process.

Criteria and Reporting

NATF subject-matter experts have identified criteria applicable to supply chain cyber security controls for products and services provided to the electric industry and posted for NATF member review. These criteria and the guidance documents previously developed by NATF provide a foundation for good cyber security practices that entities can use to evaluate suppliers’ supply chain cyber security risks.

NATF’s next steps will build on this foundation by determining the methods by which a purchasing entity can be assured of a supplier’s adherence to the NATF criteria, including common reporting forms. NATF is beginning by working with a small number of key suppliers and third-party evaluators to gain greater understanding of their capabilities and challenges in meeting the industry’s need for verification and common reporting formats as data points in their supplier risk assessments. The NATF is striving to achieve these critical cyber security assurances in the most effective and efficient manner possible; to that end the NATF criteria are mapped to existing frameworks to facilitate the adoption of widely accepted and credible cyber security supply chain criteria for use in the electric utility industry. NATF staff and members plan to discuss these concepts with

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suppliers and third-party auditors/assessors to confirm alignment on approaches and will keep NERC and trade association representatives informed on progress.

Grid Security Emergencies

As previously reported, an NATF team has been working on inputs to the U.S. Department of Energy related to a grid security emergency (GSE)—see box on right for background on GSEs. Topics include:

- Communication between the DOE and the electricity subsector after the declaration of a GSE
- Suggested criteria for declaring a GSE
- Emergency operations and waivers associated with issuance of a GSE order

In October 2018, the team completed a document to address the GMD threat noted in the FAST Act’s GSE definition.

In 2019, the NATF team—supplemented by representatives of the DOE, National Security Council, NERC E-ISAC, and the Edison Electric Institute—completed an update to the report incorporating other three threats (physical security, cyber security, and EMP) and recommending additional work with Reliability Coordinators to craft detailed responses to various scenarios. The document was presented to the DOE and to the Electricity Subsector Coordinating Council (ESCC) on June 26 for discussion at the ESCC’s July meeting, and some content will likely be included in this year’s GridEx V tabletop.

Section 215A of the Federal Power Act, added via amendment by section 61003 of Public Law 114-94 (the [Fixing America’s Surface Transportation Act](#) or “FAST Act”), gives the Secretary of Energy certain authorities to issue an emergency order following the President’s written declaration of a “grid security emergency” (GSE) as defined in the statute:

The term ‘grid security emergency’ means the occurrence or imminent danger of—(A) . . . a malicious act using electronic communication or an electromagnetic pulse, or a geomagnetic storm event . . . and . . . disruption of the operation of such devices or networks, with significant adverse effects on the reliability of critical electric infrastructure or of defense critical electric infrastructure, as a result of such act or event; or (B) . . . a direct physical attack on critical electric infrastructure or on defense critical electric infrastructure; and . . . significant adverse effects on the reliability of critical electric infrastructure or of defense critical electric infrastructure as a result of such physical attack.

Meetings and Workshops

In July, the NATF partnered with the Western Interconnection Compliance Forum to host a joint session during the NATF security workshop. Topics included CIP-013 and supply chain cyber security, consideration of BES cyber security information in the cloud, remote access, and patch authentication.

Please see the attached newsletter for more information on NATF involvement with other recent industry efforts:

- NERC- NATF-EPRI Joint Modeling and Planning Workshop (June 18-19)
- UTC Conference Panel
- EISC Summit Panel

North American Transmission Forum External Newsletter

July 2019

NERC Endorses NATF Cyber Security Supply Chain Guidance

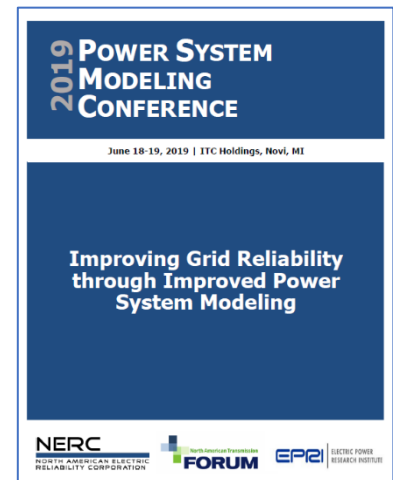
The North American Electric Reliability Corporation (NERC) recently endorsed the “NATF CIP-013-1 Implementation Guidance” document as “ERO Enterprise-Endorsed Implementation Guidance.”

The document—which describes one way a registered entity could comply with CIP-013-1 Requirement R1 and, subsequently, CIP-013-1 Requirement R2—is posted on the NATF [public documents](#) and NERC [compliance guidance](#) pages.

NATF, NERC, and EPRI Host Joint Modeling and Planning Workshop

The NATF, NERC, and the Electric Power Research Institute (EPRI) held a joint workshop focusing on bulk power system (BPS) modeling and planning on June 18-19 in Novi, Michigan. NATF member ITC Holdings hosted the event, which included discussions on the following topics:

- Modeling and studies of the impacts of distributed energy resources on BPS reliability
- Modeling and studies of BPS-connected inverter-based resources
- Electromagnetic transient modeling and studies
- Node-breaker modeling improvements
- Cascading analysis techniques and studies
- Conventional transmission planning study improvements
- NERC standards updates relevant to transmission planning



Workshop presentation materials are available on the NERC [website](#).

NATF CEO Participates in UTC Conference and EISC Summit Panels

NATF President and CEO Tom Galloway recently served on panels during the UTC Telecom & Technology 2019 conference and EIS Summit X, hosted by the [Utilities Technology Council](#) and the [Electric Infrastructure Security \(EIS\) Council](#), respectively.

At the UTC Telecom & Technology 2019 conference, Galloway served on the “At the Crossroads: How Utility Telecommunications Networks Are Essential to the Grid Now, and the Future” panel, with other industry leaders to discuss telecommunications challenges and lessons learned during a time of utility industry transformation. Utility telecommunications during an extreme event is a current NATF focus area.

During the EIS summit’s “THE FUTURE OF RESILIENCE: Drivers, Discipline, Planning, and Investment for Multi-Sector Resilience in an Evolving World” panel, a moderator interviewed Galloway and other senior executives on

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“Black Sky” resilience progress and gaps. Resilience has become an increasingly important industry topic and continues to be a key aspect of NATF work.

Workshops and Meetings

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

- Compliance Practices Workshop (May)
- Metrics Working Group Annual Face-to-Face Meeting (May)
- System Protection Workshop (May)
- Joint NATF/NERC/EPRI Planning and Modeling Workshop (June)
- Security Workshop (July)
- Operator Training (Train-the-Trainer) Workshop (August)

Redacted Operating Experience Reports

Since our last newsletter, we have posted three 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.