

To: NERC Board of Trustees (BOT)

From: Thomas J. Galloway, NATF President and CEO

Date: July 14, 2025

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Subject: NATF Periodic Report to the NERC BOT (August 2025)

Attachments: NATF External Newsletter (July 2025)

The NATF interfaces with the ERO and other external organizations on key reliability, resilience, security, and safety topics to improve performance while reducing effort duplication. 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 and synchronize efforts. The two groups convened face-to-face in April to identify top-priority areas for coordination. Several topics are discussed in this report.

The next virtual meeting is scheduled for late July.

Inverter-Based Resources Integration / Interconnection Lifecycle

Transmission owners and providers are dealing with a high volume of inverter-based resource (IBR) interconnections. The NATF and its members recognize the challenges of managing the volume of interconnection requests, developing performance requirements for each facility, establishing interconnection agreements, overseeing construction and commissioning of these facilities, monitoring facility performance, and managing ongoing change. In response, the NATF Planning and Modeling Practice Group created an IBR Interconnection Life Cycle Program, a series of projects to develop practice documents for each stage of an IBR facility's life. The first product of this program, a practice document focused on managing IBR interconnection requests and studies, is now available to NATF members. The second product, a comprehensive practice document on interconnection agreements, is slated for release in the coming month. Next, documents will address IBR facility design validation, performance monitoring, and commissioning.

Supply Chain Security

Supply chain deliverability and security were both noted as ongoing concerns in the recent NATF-ERO coordination meeting, and the NATF and ERO are working to align on challenges related to risk validation. In the coordination meeting, NERC expressed appreciation for NATF's comments related to the recent NERC-FERC *Workshop on Supply Chain Risk Management Reliability Standards*. NATF comments promoted the recently posted *NATF Supply Chain Risk Assessment Guidance*, noting the document covers a graded assessment approach, periodic reviews, and resistance from suppliers/vendors. A link to this document has been provided to NERC for inclusion on the *Supply Chain Risk Mitigation* page on NERC's website.

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Resilience – RISC Report

NATF President and CEO Tom Galloway has been actively involved in drafting the 2025 *ERO Reliability Risk Priorities Report*. The RISC committee will present the report for NERC Board of Trustees approval next month. Tom has led the subgroup for the "Resilience to Extreme Events" risk profile.

NATF-RSTC Coordination

NATF and the NERC RSTC recognize that communication and collaboration foster better alignment between the two organizations, and both groups are actively coordinating on a process to align work plans to ensure their efforts support one another and minimize duplication. NATF and the NERC RSTC have agreed to include RSTC work plan topics related to IBR and system protection misoperations as areas for a test-case collaboration effort. Both organizations will share limited project scope details and decide whether one will lead or if tasks can be split for complementary work.



North American Transmission Forum External Newsletter

July 2025

Supply Chain Security Criteria and Risk Questionnaire Posted

The <u>NATF Supply Chain Security Criteria</u> and <u>Energy Sector Supply Chain Risk Questionnaire</u> version 6.0 documents have been posted for industry use on the <u>Supply Chain Industry Coordination</u> page of the NATF public website. The <u>Version History</u> link on that site includes prior versions and redlines. In addition, the <u>NATF</u> <u>Criteria and Questionnaire Revision Process</u> (formerly known as the *Revision Process for the Energy Sector Supply Chain Risk Questionnaire and NATF Supply Chain Security Criteria*) has been updated.

Revisions to the NATF criteria and questionnaire include updated mappings for NIST's Cybersecurity Framework (CSF) 2.0, the addition of artificial intelligence to several items, and edits to enhance clarity. The layout has been updated slightly to facilitate navigation and readability, with a new "Area of Focus" drop-down box added to the questionnaire to conserve space and improve specificity when using the optional scoring feature.

These updates were reviewed and accepted by the ERO Enterprise to ensure its continued endorsement of the two NATF CIP-013 Implementation Guidance documents: NATF CIP-013 Implementation Guidance: Using Independent Assessments of Vendors and NATF CIP-013 Implementation Guidance: Supply Chain Risk Management Plans.

On June 9, the NATF hosted a joint meeting of our Industry Organizations Forum and Supply Chain Practice Group. In the meeting, we discussed revisions to the criteria, questionnaire, and supporting documents. Representatives from NEMA and Exiger also presented on the potential impact of tariffs on energy sector supply chains. The event drew about 215 participants from a diverse range of industry sectors.

Resilience

NATF President and CEO Tom Galloway has led the Resilience subgroup drafting the 2025 *ERO Reliability Risk Priorities Report.* The report will be recommended for NERC Board of Trustees approval in August.

The NATF and Electric Power Research Institute (EPRI) held a transmission resilience summit on May 7–8 in Austin, Texas, hosted by Lower Colorado River Authority. The theme of the summit was the five elements of the <u>NATF-EPRI definition of resilience</u>: prepare, anticipate, absorb, adapt, and recover. EPRI presented on design, grid-enhancing technologies, cyber security, artificial intelligence, communications, Climate READi, operations, and emergency management. NATF member topics included discussions of wildfire mitigation plans, system planning studies, supply chain issues and mitigating strategies, building resilience into drills/exercises, and lessons learned from recent hurricane events.

The NATF is also developing several documents to improve our members' resilience posture. Our *Design Basis Resilience Event Practices* document and tool were finished in 2024 and provide guidance for an organization to develop an appropriate suite of design basis resilience events (DBRE). Our *Common Operating Picture Practices* document is currently under development. This document is designed to guide our members when responding to an event or problem by providing relevant information on one display that is shared by all. Lastly, our *Critical Entities Practices* document is also in progress. It will explain how to identify and coordinate with critical entities that are integral to the successful operation of the transmission grid and that provide essential services/products to society at large.

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

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