

MEMORANDUM

TO: Water & Light Advisory Board

FROM: Jeff Liesmann, NERC O&P Compliance Officer
Angelica Smith, NERC CIP Compliance Officer

DATE: March 13, 2024

SUBJECT: 2023 NERC Compliance Report and 2024 Preview

Summary:

In June 2007, the North American Electric Reliability Corporation (NERC) was granted the authority to create regulations for safe and reliable generation, transmission, and distribution of electric energy in North America. NERC has the authority to impose sanctions (as high as one million dollars per day, per violation) on any electric utility, not affiliated with the federal government, who fails to maintain compliance with these regulations.

To allow for a more efficient and streamlined operation, NERC delegated compliance verification tasks to nine Regional Reliability Organizations (RROs). SERC Reliability Corporation is the regional entity that ensures the City of Columbia Water and Light Department (CWLD) is compliant with the NERC Reliability Standards.

Since June 2007, CWLD has undergone several audits (including on-site, off-site, and spot checks) to ensure compliance with the regulations outlined in the NERC Standards.

Since the last Advisory Board Update:

O&P SERC Open Items:

CWLD O&P does not have any open items at this time.

System Operator and NERC Compliance Training:

CWLD has completed all 2023 NERC required annual System Operator training, Emergency Operations training, and its annual NERC Compliance Training for all staff who could potentially affect CWLD's compliance. All control room operators are NERC Certified System Operators.

New Standards effecting City of Columbia for 2022:

- **NERC Standard PRC-002-4**
 - Disturbance Monitoring and Reporting Requirements
 - 4/1/2024 Implementations date.

Changes in the FERC/NERC world.

FERC Order 881—Order 881 (which was clarified through Order 881-A in May 2022) requires U.S. transmission providers, including Independent System Operators and/or Regional Transmission Operators, to develop and implement Ambient Adjusted Ratings (AAR) for transmission lines over which they provide service by July 12, 2025.

FERC Order 901—Creates a Category 2 Generator operator registration if an entity owns and maintains non-BES inverter-based resources that either have or contribute to an aggregate nameplate capacity of greater than or equal to 20 MVA connected through a system designed primarily for delivering such capacity to a common point of connection at a voltage greater than or equal to 60 kv.

CIP Compliance and Monitoring Program

Since the last Advisory Board Update:

CIP SERC Open Items:

CWLD CIP does not have any open items at this time.

Mark Neckerman is still assigned the role of CIP Senior Manager.

CWLD has no Open Enforcement Actions

SERC Audit for 2022 was completed successful without any area of concern.

SERC gave five Positive Observations for CWLD's CIP Compliance Program.

EMS Tech Refresh & SW Upgrade Project

Completed successfully – Granted recertification by SERC to continue to operate.

CIP Requirements Subject to Future Enforcement

CIP-003-9 - Security Management Controls

Goes into effect 4/1/2026

Addresses Vendor electronic remote access to low impact assets.

NERC has started forming a drafting committee to work on a NEW CIP Standard 015 – Internal Network Monitoring.

This standard will address network traffic that happens within the Electronic Access Perimeter of the Control Centers.