

MEMORANDUM

TO: Water & Light Advisory Board

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

DATE: April 8, 2026

SUBJECT: 2025 NERC Compliance Report and 2026 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's O&P audit was completed in 2025:

- The team notified CWLD of one area of concern, four recommendations and two positive observations.

CWLD has one Potential Non-Compliance findings submitted to SERC.

Audit finding/Self Report:

- 2025-50122 – TOP-001 – was discovered on 4/15/2025
Equipment failure caused the contingency analysis tool to fail.
Mitigation Plan is in process.

System Operator and NERC Compliance Training:

CWLD completed all 2025 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 2026:

- **NERC Standard TPL-008-1**
 - Transmission System Planning Performance Requirements for Extreme Temperature Events.
 - 4/1/2026 Implementation date
- **NERC Standard MOD-026-2**
 - Verification and Validation of Dynamic Models and Data
 - 4/1/2026 Implementation date
- **NERC Standard MOD-033-3**
 - Data for Power System Modeling and Analysis
 - 4/1-2026 Implementation date
- **NERC Standard PRC-024-4**
 - Frequency and Voltage Protection Settings for Synchronous Generators, Type 1 and Type 2 Wind Resources, and Synchronous Condensers
 - 10/1/2026 Implementation date

- **NERC Standard PRC-030-1**
 - Unexpected Inverter-Based Resource Event Mitigation
 - 10/1/2026 Implementations date.
- **NERC Standard PRC-029-1**
 - Frequency and Voltage Ride-through Requirements for Inverter-based Resources
 - 10/1/2026 Implementations date.

Changes in the FERC/NERC world.

FERC Order 881— Issued on Dec. 16, 2021, requires transmission providers to implement and use ambient-adjusted ratings for transmission lines used in providing transmission service by 2027. This method ensures that line ratings align closely with actual operating conditions.

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:

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

CWLD has four Potential Non-Compliance findings submitted to SERC -

All four PNCs were determined to be Compliance Exceptions by NERC and SERC and have been closed out.

CIP Requirements Subject to Future Enforcement:

- **CIP-012 Communications between Control Centers (7/1/2026)**

Calls out needing a recovery plan for the communication path. This is a responsibility covered by MISO per our current agreement.

- **CIP-015 Internal Network Monitoring – New Standard (10/1/2028)**

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

FERC rejected the standard because they wanted it to include ECAMS, PACS, BCA and PCA. They have now approved the standard.

CWLD has already implemented Industrial Defender to address requirements related to this standard.