



Sector 8 Policy Input for the NERC Board of Trustees & Member Representatives Committee

May 15, 2020

ELCON, on behalf of Large End-Use Consumers, submits the following policy input for the consideration of NERC's Board of Trustees (BOT) and the Member Representatives Committee (MRC). It responds to BOT Chairman Roy Thilly's April 15, 2020 letter to Jennifer Sterling, chair of the MRC.

SUMMARY

Item 1: Align Tool Delay and Establishment of the Secure Evidence Locker System (SEL)

- ELCON supports the steps taken thus far to segregate content and secure the Align tool and the ERO SEL. We encourage NERC and the ERO to continue to seek feedback and solicit ideas from security SME's within Registered Entity organizations to ensure a product meets the expectations and needs of both the ERO and industry. We believe the combined set of tools provides a secure, effective, and consistent foundation.
- ELCON has not identified additional security concerns in the design of the Align tool or the design of the ERO SEL. The security landscape is ever changing so we encourage NERC and the ERO to continue to seek feedback and solicit ideas from security SME's within Registered Entity organizations as this project moves forward.
- ELCON supports the proposed funding strategy and the attempt to minimize the Net Energy for Load (NEL) assessment impacts of the delay and enhancement costs.

Item 1: Align Tool Delay and Establishment of the Secure Evidence Locker System (SEL)

The Board requests MRC policy input on the following:

- 1. Do the steps taken to segregate content and secure both the Align tool and the ERO SEL, which is being developed to adhere to the NIST 800-171 security control framework (the "gold standard" for data security for our use case), address the security needs associated with the highly sensitive information necessary for Regional Entities to review in support of registered entity CMEP activities?**

ELCON appreciates the effort the ERO has put into segregating and securing Align and the SEL, addressing the security concerns of industry that is charged with providing confidential information as evidentiary support of compliance. We support the steps taken thus far to segregate content and secure the Align tool and the ERO SEL. We encourage NERC and the ERO to continue to seek feedback and solicit ideas from security SME's within Registered Entity organizations to ensure a product meets the expectations and needs of both the ERO and industry. We believe the combined set of tools provides a secure, effective, and consistent foundation.

2. Are there remaining security concerns not yet sufficiently addressed by the design of Align and the design of the ERO SEL? If so, what alternatives do you suggest to mitigate them that preserve a reasonable balance between the security of the information and the effectiveness of the ERO Enterprise processes?

ELCON has not identified additional security concerns in the design of the Align tool or the design of the ERO SEL. The security landscape is ever changing so we encourage NERC and the ERO to continue to seek feedback and solicit ideas from security SME's within Registered Entity organizations as this project moves forward.

3. Do you agree with the proposed strategy to minimize the Net Energy for Load (NEL) assessment impacts of the Align implementation delay and enhancement costs and the ERO SEL costs as set out in Attachment D? The plan is to draw approximately \$1 million from NERC's operating contingency reserve in 2020 to fund a portion of our remaining ERO SEL costs and to fund the rest of those costs through a borrowing in 2020 to take advantage of the current very low interest rate environment. In this way, NERC will be able to maintain debt service requirements in future years equal to or less than previous annual debt service projections. For the Align delay costs needed to accommodate development and implementation of the ERO SEL system, the plan includes a further draw from NERC's operating contingency reserve in 2021 to minimize assessment impacts.

ELCON supports the proposed funding strategy and the attempt to minimize the Net Energy for Load (NEL) assessment impacts of the delay and enhancement costs.

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