



From the Desk of the CEO 1

MOVEit Vulnerability 2

Compliance Oversight Plan
FAQ 2

Generator Welcome
Package 2

Blackstart & Next-Start
Resource Availability in the
Texas Interconnection 3

Interregional Transfer
Capability Study 3

Findings from Level 3 Cold
Weather Alert 3

2023 Long-Term Reliability
Assessment 3

MOD-026-1 4

Texas RE Quarterly and
Annual Meetings 5

Upcoming ERO Outreach 5

2024 Texas RE Outreach 6-7

Standards Update 8

Texas RE Information 9

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From the Desk of the CEO

At our December Board meeting we presented Texas RE's [2024 Corporate Goals & Critical Challenges](#). This document will be the driver of our activities this year and we'll measure the success of our work against its stated objectives. This is the latest evolution of our ongoing efforts to get a holistic view of our priorities within the Texas Interconnection and alignment with the Electric Reliability Organization (ERO) Enterprise. It details our plan for how we will achieve our objectives and identifies the critical challenges faced by the ERO. It took a lot of work to get this done, both from Texas RE staff but also our partners across the ERO. I'm proud of that work and also thankful to have such a clear and detailed roadmap for how to proceed into this new year.

Texas RE's corporate goals for 2024 begin with our core mission of ensuring the reduction of risks to the reliability and security of the bulk power system (BPS). First among our goals is to support the ERO Enterprise model because of the collective responsibility we have with NERC and the other Regional Entities. All electric reliability stakeholders benefit from the sharing of resources and expertise, and registered entity obligations are streamlined when the ERO's efforts are harmonized. Lessons learned in other parts of North America can be applied in Texas and help mitigate risk before it ever occurs. The recent [report on Winter Storm Elliott](#) is an excellent example of collaborative effort and that is why it is so important for us to leverage the benefits of the ERO model.

Our second corporate goal is enhancing our IT and security programs. Cyber and physical threats are constantly advancing in their sophistication, so our industry must be diligent and evolve to mitigate risks. Cyber and physical security have been a consistent theme of our outreach efforts. Given Texas RE's responsibility for handling sensitive entity data, we also take our own security very seriously. The ever-changing nature of security threats means that no organization can afford to assume that today's firewall will hold tomorrow. As an organization, Texas RE is committed to ensuring that we remain



aware and nimble enough to adapt to the security landscape.

Our third corporate goal is fostering an outstanding workplace culture and it is a priority for our organization. Uniquely skilled, dedicated professionals are the bedrock of the work we do. For Texas RE to be an employer of choice for highly sought after personnel, it has to be a place where people are excited to come to work and staff feel valued and recognized. A new milestone for us in 2023 was being named one of The Austin American-Statesman's Top Workplaces. It's an honor that I am proud we achieved, but also a responsibility to continue providing the type of environment that attracts and keeps top-tier talent.

Our final corporate goal affects every aspect of our business, and that's integrating enterprise risk management (ERM) into our processes. We created a new position at the company that is focused on ERM and internal oversight to help ensure the program's success. I believe that it is important for us to demonstrate the types of best practices that help to ensure electric reliability, and our new ERM focus is an important step in modeling that behavior.

I encourage all of our stakeholders review the document linked at the beginning of this letter and reach out to us with any questions. Each of our goals has a series of distinct milestones attached to guide our implementation and progress, as well as the must-win challenges that we foresee to meet those goals. I am optimistic that 2024 will be a year of positive growth for Texas RE and of success for the ERO's mission.

Happy New Year,
Jim Albright

MOVEit Vulnerability

By Jonah Crandall, CIP Cybersecurity Analyst

In May of 2023, a new structural query language (SQL) injection vulnerability emerged for the file transfer application known as MOVEit Transfer. The MOVEit vulnerability lets malicious actors take over an affected system and then steal data to hold for ransom. Despite growing awareness of the threat, there are still reports that the vulnerability is actively being exploited.

To mitigate this threat, the Cybersecurity and Infrastructure Security Agency (CISA) recommends that organizations take an inventory of assets and data to identify authorized and unauthorized devices and software. Additionally, CISA urges regularly patching and updating software applications to the latest version and conducting regular vulnerability assessments to defend against this vulnerability.



Compliance Oversight Plan FAQ

By Sridhar Pushpavanam, Risk Assessment Engineer

Texas RE develops a Compliance Oversight Plan (COP) for each registered entity based on its inherent risks and performance factors. A COP considers entity performance such as internal controls, compliance history, events, and misoperations. This data is integrated into an overall evaluation of the entity's risks that Texas RE uses to determine the general interval between engagements, as well as the compliance tools to be considered for oversight. One frequent question that Texas RE receives from registered entities is when a COP might be updated.

Because the COP reflects an entity's risk profile, any updates to an entity's Inherent Risk Assessment (IRA) can potentially result in Texas RE updating a COP. Texas RE updates an entity's IRA based on prompts such as a change in registration functions, changes in Risk Factor criteria level for any primary Risk Factor, or new participation in a Coordinated Oversight Group.

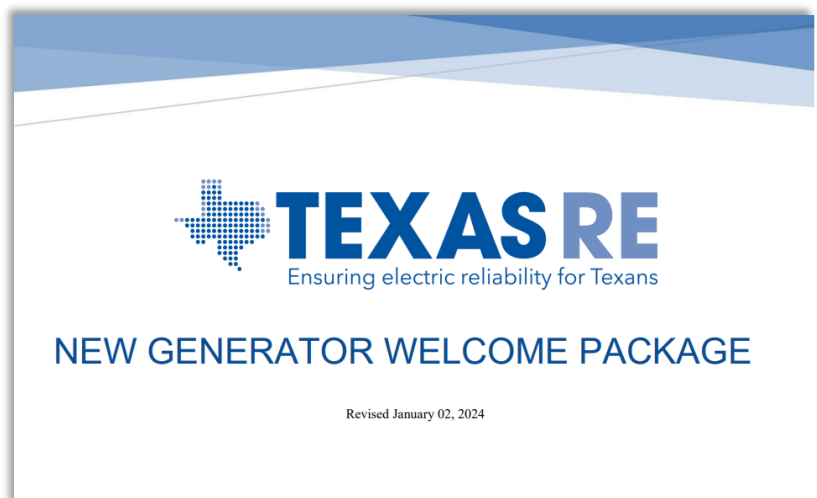
Other potential triggers for reviewing and updating a COP may include new or revised Reliability Standards, emerging ERO or regional risks, new or revised ERO Risk Factors, changes in performance considerations, and feedback from staff or CMEP activities such as a Compliance Audit.

The nature of electric reliability is constantly changing, and COPs are no different. If you ever have a question about your entity's COP or IRA, contact information@texasre.org.

Generator Welcome Package

By Devin Kitchens, Manger, CIP Compliance Monitoring

Texas RE developed the [Generator Welcome Package](#) as a tool to help prepare new Generator Owners (GOs) and Generator Operators (GOPs) to meet compliance obligations. The Generator Welcome Package was updated on January 2, 2024, to include information regarding the obligations for Rules of Procedure (RoP) Section 1600 Data Requests and RoP Section 800 Alerts to better assist new GOs and GOPs to understand those obligations.



Blackstart & Next-Start Resource Availability in the Texas Interconnection

The [Blackstart and Next-Start Resource Availability in the Texas Interconnection report](#) was jointly conducted by the Federal Energy Regulatory Commission (FERC), North American Electric Reliability Corporation (NERC), and Regional Entity staff as recommended by the [2021 report on Winter Storm Uri](#). Electric and natural gas entities in Texas volunteered to participate in the study that covered blackstart resource testing, fuel-switching, fuel delivery infrastructure, fuel supply contracts, and coordination between electric and natural gas entities. The report details observations on and provides specific recommendations for the electric and gas industries. Texas RE staff contributed to this report and Mark Henry joined FERC and NERC staff to present it to the FERC Commissioners at the December 19, 2023, [FERC open meeting](#).



Mark Henry
Chief Engineer & Director, Reliability Outreach

Interregional Transfer Capability Study

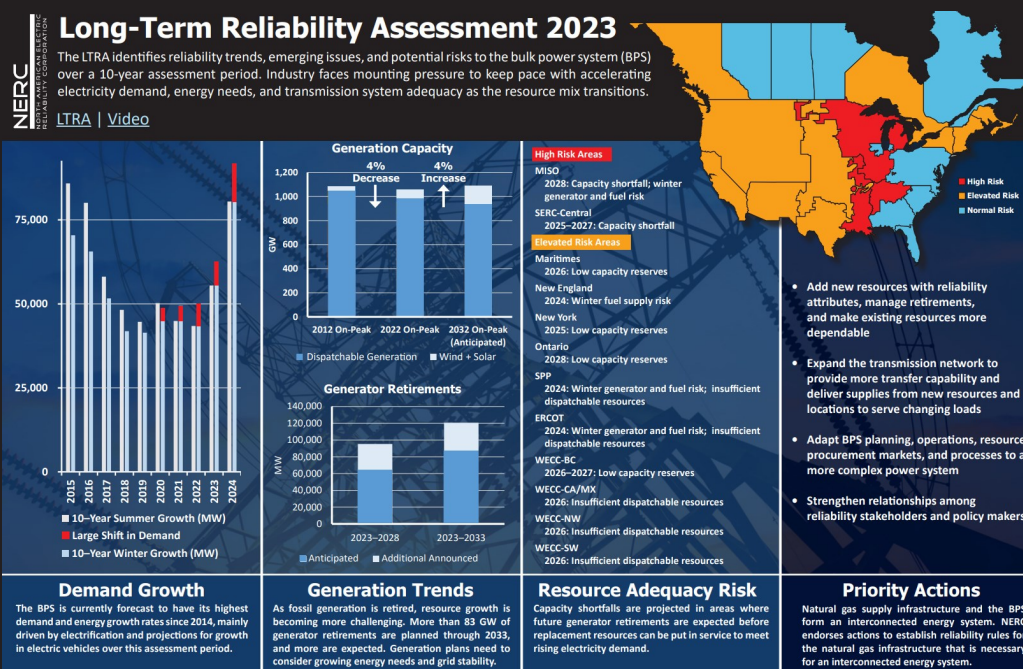
NERC continued to advance Interregional Transfer Capability Study (ITCS) activities as 2023 came to a close. In particular, the ITCS Project Team:

- Finalized the ITCS Framework document.
- Developed two scoping documents for the transfer capability analysis and prudent additions to transfer capability.
- Developed a data request that was sent to industry.

This information, and more, can be found in the [Q4 ITCS Quarterly Update](#) on NERC's website. This update was developed as part of NERC's ongoing efforts to keep industry, stakeholders, and federal, state and provincial partners updated on ITCS activities.

Findings from Level 3 Cold Weather Alert

In May 2023 NERC issued a Level 3 Essential Actions for Cold Weather Preparations for Extreme Weather Events III alert to support readiness and assess Generator Operator (GO), Transmission Operator (TOP), Balancing Authority (BA), and Reliability Coordinator (RC) readiness and enhanced plans for, and progress toward, mitigating risk for Winter 2023-2024 and beyond. NERC has posted a report summarizing the key findings from the responses to that alert, which is available [here](#).



MOD-026-1

By Blair Giffin, Senior O&P Compliance Engineer

MOD-026-1 requires GOs and Transmission Planners (TPs) to verify the generator excitation control system or plant voltage/variance control function model and the model parameters used in dynamic simulations are accurate and represent the actual behavior when assessing bulk electric system (BES) reliability. This requires the exchange of modeling and planning data between the GO and TP to ensure adequate testing and documentation is completed in compliance with MOD-026 requirements and timeframes.

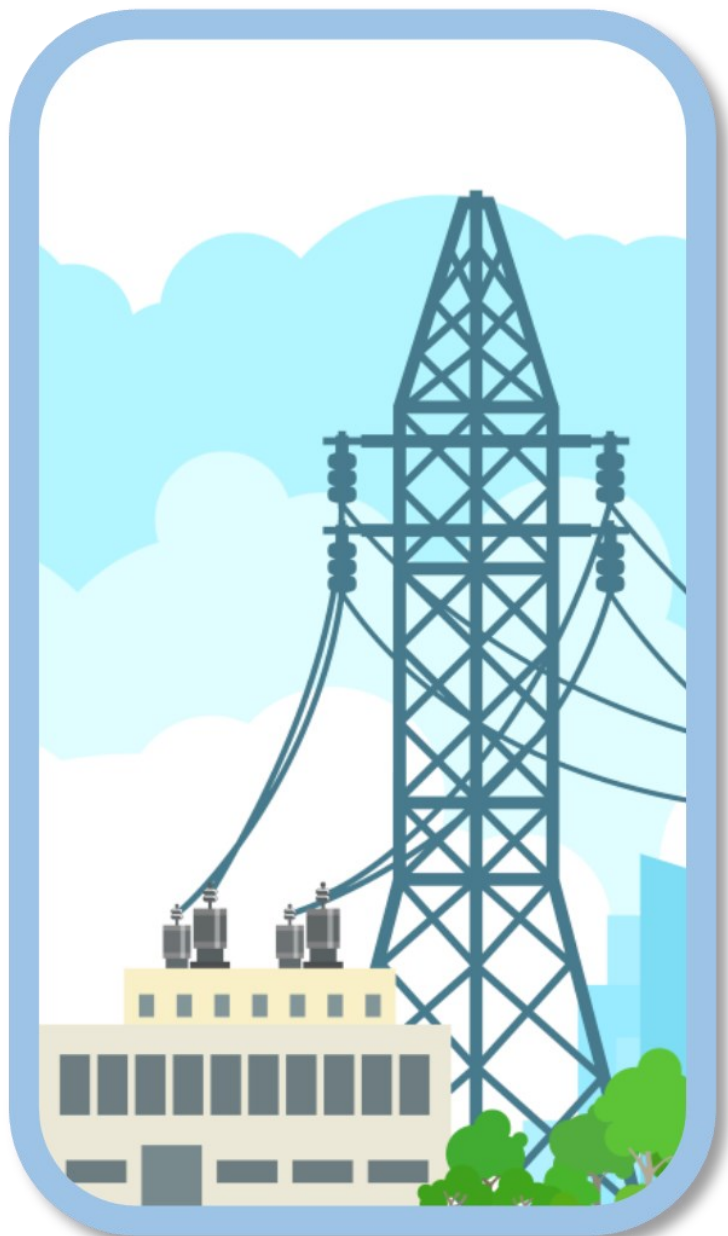
GOs must provide dated evidence that they verified each generator excitation control system or plant voltage/variance control function model is acceptable to their TP. This verification includes model responses matching recorded responses to voltage excursions from either a staged test or measured system disturbance. The GO is required to provide this verification, including documentation and data to its TP in accordance with the periodicity specified in MOD-026 Attachment 1. For units establishing initial verification, this will be 365 calendar days after the commissioning date.

Once the GO has provided its data and documentation, the TP has 90 calendar days to evaluate the submission for usability and respond to the GO submission. The TP is required to evaluate the usability of the model by confirming modeling data initializes without error and the technical criteria specified in R6 are met. The TP must provide dated evidence that it gave a written response within 90 calendar days following receipt of a GO request. The TP's response should include if the model is "usable" or "not usable" according to the criteria, including a technical description of any issues with the model.

If a GO is notified by its TP that there are technical concerns with the submission or the model provided is "not usable," the GO must ensure it provides a written response to the technical basis for maintaining the current model, the model changes, or a plan to perform model verification. The GO must provide dated evidence that a written response was given within 90 calendar days following receipt of a TP's response that the model is "not usable."

Timely responses and exchanges of information are critical to ensuring reliable planning and operation of the BES. For required testing, GOs should consider building adequate lead time to ensure timely delivery of testing and documentation. Both GOs and TPs should implement internal controls to ensure responses by the other entity are tracked, received, and documented in compliance with MOD-026 timeframes. It is a good practice for the GO to send and document submission of modeling information to the Planning Coordinator (PC).

In summary, timely and accurate models are critical to the reliable planning and operation of the BES. GOs and TPs should closely communicate and coordinate technically sound modeling information to validate responses to possible system disturbances. The usability of modeling information should be communicated and documented in accordance with the timetables specified in MOD-026. Appropriate change management and internal controls can help ensure accurate models are developed, and that modeling changes are adequately documented.



Texas RE Quarterly and Annual Meetings

On December 13, 2023, Texas RE held its quarterly Member Representatives Committee (MRC); Audit, Governance, and Finance Committee (AG&F); and Board of Directors (Board) meetings, as well as its Annual Membership Meeting, where the [2024-2025 MRC](#) roster was announced.

During the Board meeting, Texas RE's Vice President and Chief Operating Officer Joseph Younger also unveiled Texas RE's [2024 Corporate Goals and Critical Challenges](#). Built off the work of each department as well as broader organizational and ERO Enterprise goals, this document will serve as the roadmap for Texas RE's activities in 2024. Additionally, Pedernales Electric Cooperative (PEC) CEO Julie Parsley delivered a keynote presentation on her organization's work within the Texas Interconnection and the history of PEC.



Upcoming ERO Events

[Technical Talk with RF](#) – January 22, 2024

On January 22, 2024, from 12:00 p.m. to 1:30 p.m. Central, ReliabilityFirst will host a Technical Talk with RF. The agenda includes 2023 enforcement actions as well as the NERC and RF Long-Term Reliability Assessments.

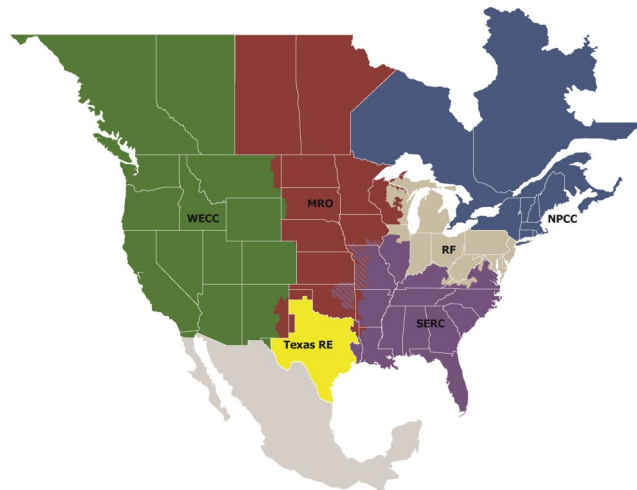
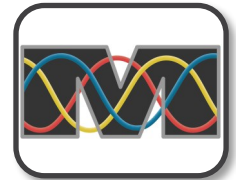
[MRO Long-Term Reliability Assessment Webinar](#) – January 25, 2024

Midwest Reliability Organization's (MRO) Reliability Advisory Council will host a webinar on the 2023 Long-Term Reliability Assessment on January 25, 2024, from 10:00 a.m. to 12:00 p.m. Central.

[NERC Q1 Board and Committee Meetings](#) – February 14-15, 2024

NERC's first quarter Board of Trustees and Member Representatives Committee meetings are scheduled for February 14-15, 2024, in Houston, Texas. These meetings will be held in-person, with a webcast option, and should follow the typical in-person meeting schedule.

[In-Person Registration](#) | [Virtual Registration](#) | [Hotel Information](#)



Texas RE 2024 Workshop Schedule

March 5

Women's Leadership in
Grid Reliability &
Security Conference

April 24

Spring Standards,
Security, and Reliability
Workshop

August 28

Cyber and Physical
Security Workshop

October 2

Winter Weatherization
Workshop

November 20

Fall Standards, Security,
and Reliability Workshop

Reliability 101 & 201 Webinar Series

June 3

101: History & Introduction
to Texas RE

June 4

101: Registration &
Certification

June 5

101: Intro to Align

June 6

101: Risk-Based Approach
to Reliability

June 10

101: Foundations of CIP
Programs

June 11

101: Foundations of O&P
Programs

June 12

101: Navigating
Noncompliance Resolution

June 13

101: NERC Data Collection,
Events, and Guidelines

June 17

201: CIP 201

June 18

201: O&P 201

June 20

101: Reliability Services 201

June 24

201: Improving Self-
Reporting

The following 101 sessions will not be presented live in 2024, however the recording of the are available on Texas RE's Training Page under Archived Presentations: Standards Development, Compliance Monitoring, and Initial Engagement Submissions

January 11

NERC and ERCOT Reliability
Assessments

January 30

FERC-NERC Blackstart
Report

February 27

CSIRP Planning and Testing

March 12

Policy Forum

March 14

Align COPs and IRAs

March 19

Interconnection Model
Designee

March 25

Supply Chain Series

April 4

GridEx VII Report

April 10

Self-Logging and Self-
Reporting Best Practices

May 2

MOVEit Vulnerability

May 7

Energy Storage

May 21

Summer Outlook

May 28

Policy Forum

May 30

2023 Assessment of
Reliability Performance

June 26

Supply Chain Series

July 9

Cybersecurity Threats

July 18

Zero Trust Architecture

July 30

Inverter-Based Resources

August 6

GADSolar and Section 1600
Updates

September 9

Supply Chain Series

September 24

Cybersecurity

September 26

Policy Forum

October 9

Electric and Oil & Natural
Gas Industry Coordination

October 29

6 GHz Task Force Update

November 5

CIP-005-7 R1 and
CIP-007-6 R3

December 5

2025 Implementation Plan

Standards Update

NERC Actions

On December 15, 2023, NERC submitted its [Reliability Standards Development Plan](#) (RSDP) for 2024-2026. This informational filing provides a status update on active development projects and a forecast of future work to be undertaken by NERC and its stakeholders throughout the upcoming year.

On December 15, 2023, NERC submitted an [informational filing](#) as directed by FERC in its February 20, 2020, Order. This filing contains a status update on one standard development project relating to the CIP Reliability Standards.

On December 21, 2023, NERC submitted to FERC a [Petition](#) for Approval of Revisions to the NERC Working Capital and Reserves Policy.

FERC Actions

On December 1, 2023, FERC issued an [Order](#) approving the revised Texas Reliability Entity, Inc. Regional Reliability Standards Development Process (RSDP).

- Effective date of revised RSDP: December 1, 2023
- Link to revised [RSDP](#)

Upcoming Enforceable Standards

Current Standards Projects

2024 NSRF Meetings

[January 25](#)

[July 25](#)

[February 22](#)

[August 22](#)

[March 28](#)

[September 19](#)

[April 25](#)

[October 24](#)

[May 16](#)

[November 21](#)

[June 27](#)

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2024 CIPWG Meetings

[February 2](#)

[September 6](#)

[March 1](#)

[October 4](#)

[April 5](#)

[November 1](#)

[May 3](#)

[December 6](#)

[June 7](#)

[August 2](#)

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Upcoming Events



Current Openings



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Ensuring electric reliability for Texans

Texas Reliability Entity, Inc.

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Austin, Texas 78744

Phone: (512) 583-4900
E-mail: information@texasre.org

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Courtney Hjaltnan
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Office of Public Utility
Counsel
(*Ex officio*, non-voting)

