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From the Desk of the CEO

The foundation of our mission at Texas RE is that we continually strive to ensure the reliability and security of the electric grid in our region. In an evolving world where technology improves, resources change, and new threats emerge, the only way to stay ahead of the curve is to analyze performance frequently. Then, by comparing results to previous years we are able to effectively evaluate the health of the bulk power system (BPS) in Texas and make recommendations to our stakeholders based on what's working, new challenges on the horizon, and how we can improve.

The Assessment of Reliability Performance (ARP) is the culmination of a months long process of information collection, analysis, and dissemination. Our Reliability Services team works with our members to compile a virtual mountain of data from a wide range of sources. These include: Transmission Availability Data System (TADS), Generation Availability Data System (GADS), Demand Response Availability Data System (DADS), Misoperation Information Data Analysis System (MIDAS), NERC event reports, and various ERCOT reports.

We recently published the [full](#) and [summary](#) versions of our 2019 ARP based on this data. First and foremost, these reports show that the state of our electric grid in the Texas Interconnection is strong. That is a testament to the dedication and professionalism of our stakeholders. I encourage you to review both documents as they contain a wealth of valuable information.



Some key findings are:

Resource Adequacy

ERCOT set an all-time hourly peak demand record last August of 74,533 MW and though reserve margins were tight last summer, we still had adequate resources to meet demand and provide stable frequency and voltage throughout the year.

System Resilience

Failed transmission circuit and substation equipment continues to account for the majority of sustained outages. Equipment failure and weather continue to drive major events. However, the BPS was able to withstand several events in 2019 that involved the loss of multiple transmission and generation facilities.

Changing Resource Mix

Wind and solar capacity are increasing as a percentage of total generation capacity while coal is correspondingly decreasing. ERCOT projections show that this trend is going to continue. ERCOT now relies on the output of renewable generation to meet projected demand. Should solar or wind output fall below expectations during peak conditions, ERCOT may need to draw upon

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From the Desk of the CEO, cont.

unanticipated resources or additional imports to balance load and generation. As a result, we will need to pay close attention to essential reliability service needs such as frequency response, system inertia, and ramping capability.

Human Performance

Human performance remains as a causal factor in half of protection system misoperations. Overall, generation forced outage rates due to human error are trending downward.

Increasing Complexity in Protection Systems

There is a positive downward trend in the percentage of reported Protection System Misoperations, and we continue to meet or exceed the rate reported by NERC and the other Regional Entities.

While the findings of the ARP as a whole paint a strong picture of the state of our region, there is always room for improvement. We will continue to engage in follow-up conversations with our membership about how we can enhance the reliability and security of the BPS together.

Sincerely,
Lane Lanford

Talk with Texas RE - June 18, 2020

Want to learn more about the 2019 Assessment of Reliability Performance Report? Join us via WebEx on [June 18, 2020](#), at 1:30 p.m. Central, where we will discuss key findings from the report.

[Register to Attend](#)
[Full Report](#)
[Summary Report](#)

Texas RE Board of Directors

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(Independent)

W. Lane Lanford
President and CEO

Lori Cobos
Public Counsel,
Office of Public Utility
Counsel
(*Ex officio*, non-voting)

New General Counsel Appointed

Texas RE CEO Lane Lanford has appointed Derrick Davis as the company's new General Counsel to begin on June 16, 2020.

Mr. Davis has been with Texas RE since 2009, when he joined as a corporate counsel, and has served as Director of Enforcement, Reliability Standards, and Registration since 2013.



COVID-19-Related Self-Logging Spreadsheet

NERC and FERC have issued updated [guidance](#) on the handling of potential noncompliance related to COVID-19 that was previously issued on [March 18, 2020](#). It introduces a temporary expansion of the Self-Logging Program in order to assist registered entities and the ERO Enterprise with the efficient reporting of potential noncompliance with minimal or moderate risk related to the ongoing coronavirus crisis.

The [COVID-19-Related Self-Logging Spreadsheet](#) replaces the previous Exceptions Tracker. Under this new guidance, a registered entity with anticipated or identified potential noncompliance(s) must report this information no later than two weeks after discovery. Registered entities will need to send the completed spreadsheet log to enforcement@texasre.org.

Please note that submission of logged instances of potential noncompliance related to Coronavirus impacts is not admission to the Self-Logging Program for unrelated potential noncompliance. Registered entities also should not self-log instances of potential noncompliance involving harm or substantial risk to the reliability of the BPS, but instead notify Texas RE as soon as practical.

Send any questions to enforcement@texasre.org.

Reliability 101 Webinar Series

Texas RE traditionally holds a one-day 101 workshop during the summer months for stakeholders who are new to the industry, new to compliance, or new to their role at their company. Due to impacts from COVID-19, we have decided to change the 2020 Reliability 101 into a series of webinars to be held in July and August. The accompanying schedule has links to the registration page for each webinar. We will also be recording each session and posting them to the [Training Page](#) on our website. E-mail information@texasre.org with any questions or feedback.

July 8: History and Introduction to Texas RE	July 30: Foundations of Operations and Planning Programs
July 9: Update on COVID-19 Impacts	
July 14: Registration and Certification	August 4: Why the Texas Reliability Monitor is Unique
July 16: Standards Development	August 6: Initial Engagement Submissions
July 21: Compliance Monitoring	August 11: Navigating Noncompliance Resolution
July 23: The Risk-Based Approach to Reliability	August 13: NERC Data Collection, Events Analysis, and Guidelines
July 29: Foundations of Critical Infrastructure Protection	

COVID-19 & Ransomware

By William Sanders, Texas RE Cyber Security Analyst

During the COVID-19 pandemic businesses and government organizations have seen an increase in ransomware attacks. The Texas court system was attacked on May 8, 2020, and the Texas Department of Transportation was attacked on May 14, 2020.

In the past, attackers using malware would encrypt an organization's data and demand a ransom be paid in exchange for the encryption keys. However, a new trend has begun where the attackers will first steal data. In addition to demanding the ransom payment in exchange for the encryption keys, the attackers will threaten to release the organization's confidential information if the ransom is not paid.

With that in mind, here are some practices that entities can consider deploying to reduce the likelihood of a successful attack:

Spam/phishing filtering: The majority of attacks begin with phishing attempts. One of the best ways to avoid a ransomware infestation is to prevent the initial attack from reaching the user.

Phishing exercises: Remain diligent in providing reinforcement training for users to identify phishing emails, including those sent to their personal email accounts. During the pandemic this is doubly important as users may keep their company computer connected to their home networks for extended periods of time. If a user's personal device is compromised it may be used to attack company devices and subsequently gain access to the company network.

Avoid split tunneling: Split tunneling allows users to access discrete networks of varying security levels. With so many personnel working from home during the pandemic it can be tempting to route Internet-destined traffic directly to the Internet instead of through the company VPN to not saturate the company's WAN connection. However, doing so will bypass any protections implemented at the perimeter of the company network, such as web filters and intrusion prevention systems.

Host-based firewalls: If feasible, consider deploying host-based firewalls to protect company computers from the user's devices on their home networks. Company machines should only need to communicate with the local gateway on the user's home network. All other traffic can likely be blocked.

Recovery: The FBI recommends that entities do not pay ransom fees. In the event of a successful ransomware attack this can effectively mean recovering critical systems from backups. Entities may find it beneficial to test recovery plans under COVID-19 conditions. Are off-site backups still accessible? Replacement hardware? Can personnel recover systems remotely? Will multiple IT staff need to be on-site? If so, will masks and gloves be available on site? Can recovery SLAs be met under COVID-19 conditions? These are a few things to consider when reviewing how a disaster recovery scenario would look under current pandemic conditions.

For more information on this issue or any reliability related topics, feel free to contact us at information@texasre.org.

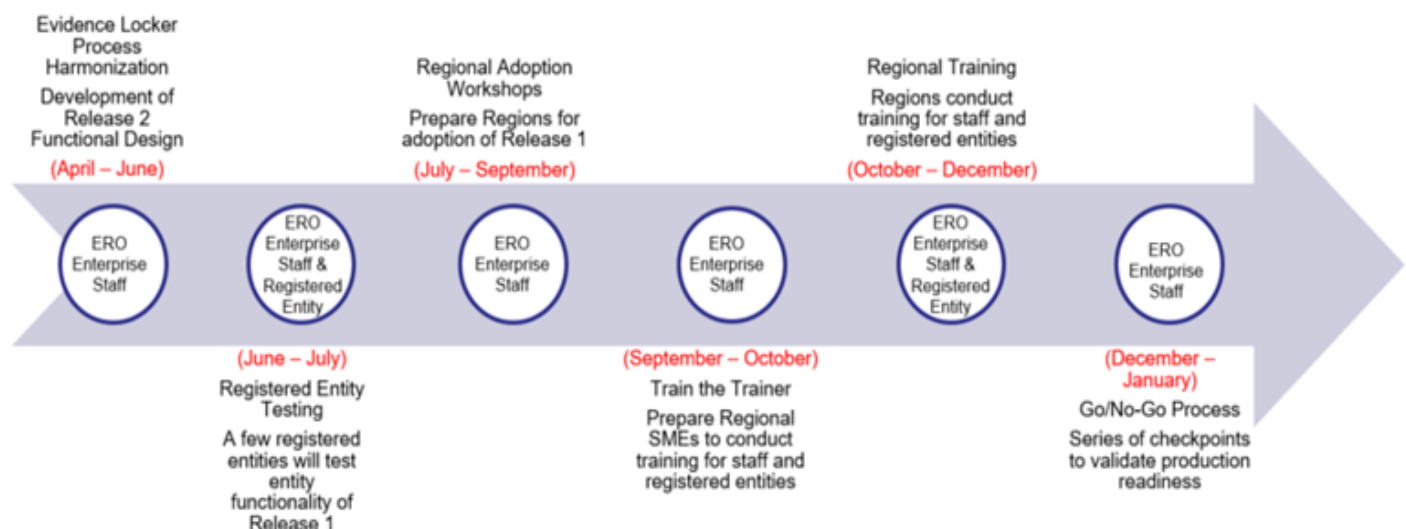




Texas RE provided an update regarding Align and the ERO Enterprise Secure Evidence Locker (SEL) during our Talk with Texas RE session on May 7, 2020. A copy of the presentation can be reviewed [here](#). In addition, the [May Align Newsletter](#) was distributed to all registered entity Primary Compliance Contacts. The newsletter captured the benefits of the ERO SEL, training materials under development, and the upcoming registered entity testing for Release 1. A few entities will have an opportunity to walk through the following functions and provide feedback to the Align Project Team:

- Create and submit Self-Reports and Self-Logs
- Create and manage mitigating activities (informal) and Mitigation Plans (formal)
- View and track open Enforcement Actions (EAs) resulting from all monitoring methods
- Receive and respond to Requests for Information (RFIs)
- Receive notifications and view dashboards on new/open action items
- Generate report of Standards and Requirements applicable to your entity
- Manage user access for your specific entity

Timeline of upcoming key activities:



The [registered entity SEL functional requirements](#) were updated and posted to NERC's Align site on April 29, 2020. Texas RE will continue to update registered entities on the status of Align through Texas Review, announcements, workshops, and social media.

Check the [Align FAQs](#) for regular updates. For additional Align information, please visit the [Align page](#). If you have any questions or concerns, please contact AskAlign@nerc.net or Texas RE's Align Change Agent Rochelle Brown at 512-583-4921 or email Rochelle.Brown@texasre.org.



Texas RE would like to thank all registered entities for their support with the implementation of the Centralized Organization Registration ERO System (CORES) and the completion of the data validation process for all applicable registration records. This milestone is important, as the ERO Portal and CORES will both serve as gateways to the new Align tool.

Entities should continue to submit all new registration requests and change requests to Texas RE in CORES at least 30 days prior to the effective date of the registration activity. Changes to registrations include:

- Entity name or parent company name change
- Adding/removing assets or NERC functions
- Adding/removing CFR and JRO agreements

Please contact Abby Fellingner at (512) 583-4927 or [Texas RE Registration](#) to discuss new registration requests or upcoming registration changes. Texas RE will gladly answer any questions you may have related to your registration request, and we will help guide you through the process. Additionally, Texas RE would also like to hear about all suggested enhancements that entities may have regarding the CORES tool.


All available CORES resource documents can be found on the Texas RE Registration [webpage](#).

Texas RE Website Update

Texas RE recently updated to a new web-hosting platform. Our website, texasre.org, still has its same structure, with each of our departments having its own page, and documents are still posted in their same locations (though some links have changed). The biggest changes to the site are a more active home page banner where we will present key information more frequently, a more robust calendar page, and our revamped Training page.

Calendar

Featured Events



Jun 18

Talk with Texas RE - Assessment of Reliability Performance

June 18, 2020

1:30 - 2:30 p.m.

Webinar Only

Calendar

Board Meetings

Results for ""

Board of Directors Meeting

May 27, 2020

1:30 - 4:00 p.m.

Webinar Only

Board of Directors Meeting

September 2, 2020

1:30 - 4:00 p.m.

Texas RE Conference Center

Board of Directors Meeting

October 28, 2020

1:30 - 4:00 p.m.

Texas RE Conference Center

A common request from stakeholders has been to make finding events and materials more user friendly. While users can still see events in the traditional calendar view using Grid mode, the default is now a sortable list with featured events up at the top. Events can be sorted by Workshop, Board Meetings, Webinars, and Holidays (to see when the Texas RE office will be closed).

One of the most useful changes to the site is on our [Training page](#). Previously, our presentations and materials have all been linked to their respective events on the calendar. Going forward, materials will also be organized on the Texas RE Training page under a dropdown section titled Archived Presentations.

We hope our users find the new experience to be more intuitive. If you have any questions or feedback, please send us an email at information@texasre.org.

The MIDAS Touch

The Misoperation Information Data Analysis System (MIDAS) collects protection system misoperation data as well as protection system operation counts in a common format. This provides a uniform approach to report, measure, and analyze protection system performance and to analyze misoperation data. Analysis of MIDAS data at the regional and NERC level provides information that may be used to improve BES reliability. Protection system operations data is submitted through the MIDAS system by GOs, TOs, and certain DPs with 100kV or higher voltage Transmission elements, and is due 45 days after the end of each quarter.

The May 14, 2020, *Talk with Texas RE* covered data reporting through MIDAS, what constituted operations and misoperations, the historical use of misoperation data, and opportunities for improvement of root cause analysis for misoperations. Additionally, we went over the data submittal schedule that has been adjusted for Coronavirus impacts.

The presentation materials can be found [here](#), and a recording of the presentation can be found [here](#).

MRC, AG&F, and Board Meeting Recap

On May 27, 2020, Texas RE's Member Representatives Committee (MRC), Audit, Governance, and Finance Committee (AG&F), and Board of Directors (Board) met via videoconference to conduct quarterly meetings. Curtis Crews, Texas RE Director of Compliance Assessments, gave an update to the MRC about the May 1, 2020, Executive Order concerning the supply chain and the BPS. Following the MRC's regular Standing Committee updates, Jim Albright, Texas RE Vice President and Chief Operating Officer, discussed the latest developments on the Align project and ERO Enterprise Secure Evidence Locker.

During the AG&F meeting, the committee voted to recommend that the Board approve Texas RE's 2021 Business Plan and Budget, as well as a new Regional Delegation Agreement with NERC. The committee also heard from Texas RE's independent auditor, and voted to recommend that the Board at a future meeting accept the 2019 independent auditor's report and financial statements.

At the Board meeting, NERC Trustee Suzanne Keenan delivered remarks, and DeAnn Walker, Chair of the Public Utility Commission of Texas, stressed the importance of NERC having a member on its Board of Trustees who is from the ERCOT region and who understands the Texas Interconnection. The Texas RE Board also voted to approve the 2021 Business Plan and Budget and the new Regional Delegation Agreement.

PRC-027-1

The purpose of PRC-027-1 is to maintain the coordination of Protection Systems installed to detect and isolate faults on Bulk Electric System (BES) Elements, such that those Protection Systems operate in the intended sequence during Faults. This standard applies to Generator Owners, Transmission Owners, and Distribution Providers that own Protection Systems installed to detect and isolate Faults on BES Elements.

On May 21, 2020, Texas RE gave an in-depth look at PRC-027-1 during a *Talk with Texas RE*. The presentation covers the history of the standard, the most commonly found types of misoperations, the requirements in the standard, and more.

The presentation materials can be found [here](#), and a recording of the presentation can be found [here](#).



Standards Update

Comment and Ballot Periods

Project Name	Open through 8:00 p.m. ET on date listed
Project 2020-04— Modifications to CIP-012	June 11, 2020
Project 2019-03— Cyber Security Supply Chain Risks	June 22 2020
Project 2019-04— Modifications to PRC-005-6 Standard Authorization Request	July 7, 2020

NERC Actions

On May 14, 2020, NERC filed a [Withdrawal](#) of Reliability Standards VAR-001-6.

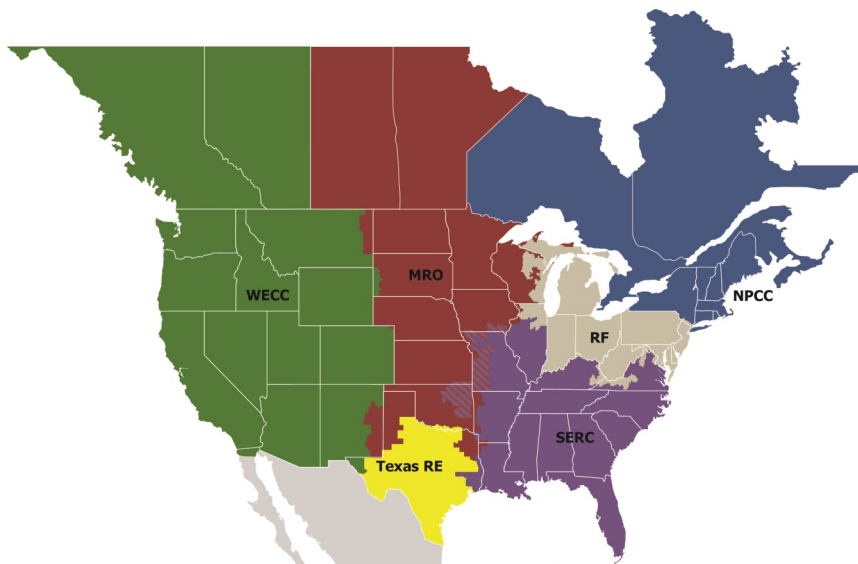
- In its January 23, 2020, NOPR, FERC had proposed remanding proposed Reliability Standard VAR-001-6. NERC met with its Board and determined to withdraw VAR-001-6 from its original filing.

On May 15, 2020, NERC submitted a [Compliance Filing](#) in Response to January 2013 Order.

- This includes NERC's unaudited report of its budget-to-actual variance information in the first quarter of 2020.

FERC Actions

On May 19, 2020, FERC issued a [Letter Order](#) approving [Regional Standard BAL-001-TRE-2](#). This included changes to Requirements R6, R9, and R10. This standard is effective July 1, 2020 and retires Regional Standard BAL-001-TRE-1.



Upcoming Enforceable Standards (as of May 5, 2020)

<u>Enforcement Date</u>	<u>Non-CIP Standard/Requirement</u>
50% by 7/1/2020	MOD-026-1 R2
50% by 7/1/2020	MOD-027-1 R2
10/1/2020	TPL-007-4 R1, R2, R5, R9
1/1/2021	PRC-012-2
Updated 50% by 1/1/2021	PRC-002-2 R2-R4, R6-R11
Updated 1/1/2021	PRC-025-2 Attachment 1, Options 5b, 14b, 15b, and 16b
Updated 4/1/2021	PER-006-1
Updated 4/1/2021	PRC-027-1
7/1/2021	TPL-007-4 R12, R13
1/1/2022	TPL-007-4 R6, R10
100% by 7/1/2022	PRC-002-2 R2-R4, R6-R11
7/1/2022	PRC-002-2 R2-R4, R6-R11: Entities owning only one BES bus, BES Element, or
1/1/2023	TPL-007-4 R3, R4, R8
7/1/2023	TPL-001-5 R1, R2, R4
1/1/2024	TPL-007-4 R7, R11
100% by 7/1/2024	MOD-026-1 R2
100% by 7/1/2024	MOD-027-1 R2

<u>Enforcement Date</u>	<u>CIP Standard/Requirement</u>
4/1/2020	CIP-003-8 R1 – R4
Updated 10/1/2020	CIP-005-6 R1 – R2
Updated 10/1/2020	CIP-010-3 R1 – R4
Updated 10/1/2020	CIP-013-1 R1 – R3
1/1/2021	CIP-008-6 R1 – R4
7/1/2022	CIP-012-1 All

PRC-005 – See the [Implementation Plan](#)

- Implementation Plan – [Calendar View](#)
- Implementation Plan – [Requirements View](#)

PRC-025 – See the [Implementation Plan](#)

Want to participate in a ballot for a Regional Standard?

Entities must be in the Registered Ballot Body (RBB) before joining a registered ballot pool.

To join, please fill out the [RBB Application](#) form and email it [here](#).

Contact Information for Texas RE Management

Main Phone Number: (512) 583-4900

Website: www.texasre.org

Follow Us



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Derrick Davis—General Counsel <i>*Beginning June 16, 2020</i>	(512) 583-4923	Derrick.Davis@texasre.org
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To assure effective and efficient reduction of risks to the reliability and security of the bulk power system within the ERCOT Interconnection. Texas Reliability Entity, Inc. monitors and enforces compliance with Reliability Standards for the North American Electric Reliability Corporation; develops regional standards; and monitors and reports on compliance with the ERCOT Protocols.

Career Opportunities

CIP Cyber and Physical Security Analyst

Upcoming Important Dates at Texas RE

June 18 – Talk with Texas RE: Assessment of Reliability Performance – 1:30 p.m.

June 25 – NSRF Meeting – 9:30 a.m. (Webinar)

July 3 – Texas RE Office Closed

July 8 – Reliability 101 Webinar: History & Introduction to Texas RE– 1:30 p.m.

July 9 – Reliability 101 Webinar: Update on COVID-19 Impacts– 1:30 p.m.

July 14 – Reliability 101 Webinar: Registration and Certification– 1:30 p.m.

July 16 – Reliability 101 Webinar: Standards Development – 1:30 p.m.

July 21 – Reliability 101 Webinar: Compliance Monitoring – 1:30 p.m.

July 23 – Reliability 101 Webinar: Risk-Based Approach to Reliability – 1:30 p.m.

July 29 – Reliability 101 Webinar: Foundations of Critical Infrastructure Protection– 1:30 p.m.

July 30 – NSRF Meeting – 9:30 a.m. (Webinar)

July 30 – Reliability 101 Webinar: Foundations of Operations and Planning Programs– 1:30 p.m.

June 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	