

Re: Management Response to 2021 Business Plan and Budget (BP&B) Draft 2 Comments

Date: August 13, 2020

The deadline for comments on the second draft of NERC's 2021 BP&B ended on July 30, 2020. Comments were submitted by the Canadian Electricity Association (CEA), the National Rural Electric Cooperative Association (NRECA), and Utility Services, Inc. NRECA's comments were supportive of NERC's continued attention to cost savings efforts for the 2021 budget. CEA also expressed appreciation for NERC's efforts to ensure a flat assessment in 2021 and that the projection for 2022 is lower than previously projected in the 2020 BP&B. CEA also reiterated the need for continued budget stabilization to align with the fiscal realities faced by electric utilities, especially with respect to the long-term financial effects of COVID-19.

Utility Services, Inc.'s comments primarily focused on the work and tools of the Power Risk Issue Strategic Management (PRISM) group, including potential duplication of efforts with stakeholder committees, the role the group plays in Reliability Standards training, and further insight on the purpose and cost of the data repository tool, wERock. The comments also requested clarification on the relationship between NERC's access to reliability-related data and future plans for Reliability Standards.

In response to these comments, NERC has adjusted the respective language in the final 2021 BP&B in the Reliability Standards and PRISM section to (1) explain that PRISM's work on Distributed Energy Resources, Interconnection Reliability Operating Limits and System Operating Limits, and Battery Storage will be in collaboration with the Reliability and Security Technical Committee (RSTC) and applicable task forces and working groups; (2) clarify that the PRISM group has extensive Reliability Standards development experience and, as such, has the expertise to provide training on standards for staff within the ERO Enterprise as needed; (3) provide additional information on the wERock tool, which is used to track Reliability Issues Steering Committee-identified issues and corresponding RSTC and other ERO Enterprise committee work plan items, and is being developed using in-house resources on existing internal platforms; and (4) clarify that NERC's access to increasing amounts of data for the purpose of identifying trends to reliability risks can inform the efficacy of standards with respect to these emerging risks.

We appreciate the comments received and stakeholders' continuing support of NERC's mission. NERC encourages stakeholders' continued participation during its development of the 2022 budget.

Sincerely,



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