
**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**North American Electric Reliability)
Corporation)**

Docket No. RD20-2-000

**INFORMATIONAL FILING OF THE NORTH AMERICAN ELECTRIC RELIABILITY
CORPORATION REGARDING STANDARDS DEVELOPMENT PROJECTS**

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December 15, 2022

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Pursuant to paragraph 5 of the Order Directing Informational Filings Regarding NERC Standard Drafting Projects,¹ the North American Electric Reliability Corporation (“NERC”)² hereby submits to the Federal Energy Regulatory Commission (“FERC” or the “Commission”) an informational filing regarding one active Critical Infrastructure Protection (“CIP”) standard development project: Project 2016-02 – Modifications to CIP Standards (“Project 2016-02”).³ Project 2016-02 focuses on modifications to the CIP Reliability Standards to incorporate applicable protections for virtualized environments. This informational filing provides an update to the current schedule for Project 2016-02.

I. BACKGROUND

NERC initiated Project 2016-02 to address the directives from Order No. 822⁴ as well as issues identified during implementation of the CIP Reliability Standards approved in Order No. 791.⁵ One issue identified during implementation included how the CIP Reliability Standards

¹ *N. Am. Elec. Reliability Corp.*, “Order Directing Informational Filings Regarding NERC Standard Drafting Projects,” 170 FERC ¶ 61,109 (Feb. 20, 2020) [hereinafter February 20 Order].

² The Commission certified NERC as the electric reliability organization (“ERO”) in accordance with Section 215 of the FPA on July 20, 2006. *N. Am. Elec. Reliability Corp.*, 116 FERC ¶ 61,062 (2006).

³ Unless otherwise designated, all capitalized terms shall have the meaning set forth in the *Glossary of Terms Used in NERC Reliability Standards*, https://www.nerc.com/pa/Stand/Glossary%20of%20Terms/Glossary_of_Terms.pdf.

⁴ *Revised Critical Infrastructure Protection Reliability Standards*, Order No. 822, 154 FERC ¶ 61,037, at PP 32, 73, *reh’g denied*, Order No. 822-A, 156 FERC ¶ 61,052 (2016).

⁵ *Version 5 Critical Infrastructure Protection Reliability Standards*, Order No. 791, 145 FERC ¶ 61,160 (2013), *order on clarification and reh’g*, Order No. 791-A, 146 FERC ¶ 61,188 (2014).

address virtualization.⁶ Because of the increasing use of virtualization in industrial control system environments, the Project 2016-02 standard drafting team is considering modifications to the CIP Reliability Standards and associated definitions to address permitted architecture and the security risks of virtualization technologies. The Project 2016-02 standard drafting team is working on proposed virtualization modifications to currently enforceable Reliability Standards CIP-004-6, CIP-005-7, CIP-006-6, CIP-007-6, and CIP-010-4, with conforming changes to Reliability Standards CIP-002-5.1a, CIP-003-8, CIP-008-6, CIP-009-6, CIP-011-2, and CIP-013-2.

In the February 20 Order, the Commission directed NERC to submit, within 30 days of the issuance of the Order, an informational filing that includes project schedules for Projects 2016-02 and 2019-02.⁷ The Commission stated that these schedules should include the status of the projects, interim target dates, and the anticipated filing date for new or modified Reliability Standards. In addition, the Commission directed NERC to file quarterly informational status updates, beginning in June 2020, until NERC files new or modified standards with the Commission.⁸

NERC provided the initial informational filing regarding the schedules on March 19, 2020⁹ and ten additional quarterly informational filings with updated schedules and one supplemental informational filing within the abovementioned docket. NERC filed for Commission approval the

⁶ “Virtualization is the process of creating virtual, as opposed to physical, versions of computer hardware to minimize the amount of physical computer hardware resources required to perform various functions.” *Virtualization and Cloud Computing Services*, Notice of Inquiry, 170 FERC ¶ 61,110 at P 4 (2020) (citing the National Institute of Standards and Technology, *Guide to Security for Full Virtualization Technologies*, Special Publication 800-125 (Jan. 2011), <https://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-125.pdf>).

⁷ February 20 Order, *supra* note 1, at P 5. Project 2019-02 has concluded, and FERC approved the Reliability Standards revised as part of that project (CIP-004-7 and CIP-011-3) on December 7, 2021.

⁸ *Id.*

⁹ NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (March 19, 2020).

standards revised under Project 2019-02 (CIP-004-7 and CIP-011-3) on September 15, 2021,¹⁰ and the Commission approved CIP-004-7 and CIP-011-3 on December 7, 2021.¹¹

II. PROJECT SCHEDULE

The schedule for Project 2016-02, shown below, revises the schedule from the previous informational filing filed in this docket due to an additional ballot that did not achieve the requisite ballot body approval for two of the eleven Reliability Standards.¹² As the standard drafting team reviews comments and makes revisions accordingly, the NERC Standards Committee is taking action to help the project move forward from a procedural standpoint. Consistent with Section 16.0 of the NERC Standard Processes Manual included in Appendix 3A to the NERC Rules of Procedure, the Standards Committee at its October 19, 2022 meeting approved a waiver of the 45-day requirement for comment periods and ballots.¹³ In doing so, the Standards Committee provides the standard drafting team the option to shorten the length of the comment period, as appropriate depending on the breadth of revisions posed for additional ballot. This action affords the standard drafting team the flexibility to adjust its project schedule to meet milestones while affording appropriate time to develop revisions that achieve consensus. Regular discussions may identify additional areas where NERC can aid the team in bringing this project to a timely resolution.¹⁴

¹⁰ NERC, *Petition of the North American Electric Reliability Corporation for Approval of Proposed Reliability Standards CIP-004-7 and CIP-011-3 Addressing Bulk Electric System Cyber System Information Access Management*, Docket No. RD21-6-000 (September 15, 2021).

¹¹ FERC, *Petition of the North American Electric Reliability Corporation for Approval of Reliability Standards CIP-004-7 and CIP-011-3*, Letter Order, Docket No. RD21-6-000 (December 7, 2021).

¹² Ballot results may be found on the Project 2016-02 webpage here:
<https://www.nerc.com/pa/Stand/Pages/Project%202016-02%20Modifications%20to%20CIP%20Standards.aspx>.

¹³ NERC Standards Committee, *Agenda*, Item 6 (Oct. 19, 2022),
https://www.nerc.com/comm/SC/Agenda%20Highlights%20and%20Minutes/SC_Agenda_Package_October_19_2022.pdf.

¹⁴ As an example, the NERC Standards Committee invited the Project 2016-02 standard drafting team leadership to present on the status of the project at the Standards Committee meeting on December 13, 2022. NERC Standards Committee, *Agenda*, Item 10a (Dec. 13, 2022),
https://www.nerc.com/comm/SC/Agenda%20Highlights%20and%20Minutes/SC_Agenda_Package_December_13_2022.pdf.

Next steps include the following:

Project 2016-02 Modifications to CIP Standards

- Additional 45-day formal comment period and ballot: ~~To be Posted August 2022~~
February 2023
- Final ballot: To be posted ~~October 2022~~ **March 2023**
- NERC Board Adoption: ~~November 2022~~ **May 2023**
- FERC Filing: ~~December 2022~~ **June 2023**

III. CONCLUSION

At the time of this filing, Project 2016-02 remains on schedule as described herein. If any changes occur to the project's status, target dates, or anticipated filing dates, NERC will provide these changes in its quarterly informational filings submitted pursuant to the directive in the February 20 Order.

Respectfully submitted,

/s/ Marisa Hecht

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*Counsel for the North American Electric
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December 15, 2022

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in the above-referenced proceeding.

Dated at Washington, D.C. this 15th day of December, 2022.

/s/ Marisa Hecht

Marisa Hecht
*Counsel for North American
Electric Reliability Corporation*