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

**North American Electric Reliability
Corporation**

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Docket No. RR09-6-003

**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
STANDARDS REPORT, STATUS AND TIMETABLE FOR
ADDRESSING REGULATORY DIRECTIVES**

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March 27, 2023

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The North American Electric Reliability Corporation (“NERC”) hereby submits the 2023 NERC Standards Report, Status and Timetable for Addressing Regulatory Directives (the “Directives Report”) in accordance with Section 321.6 of the NERC Rules of Procedure (“ROP”).¹ This annual report summarizes the progress made and plans for addressing the Reliability Standard-related directives issued by applicable governmental authorities.

Section 321.6 of NERC’s ROP requires NERC, on or before March 31 of each year, to file a report with applicable governmental authorities on the status and timetable for addressing each outstanding regulatory directive.

I. SUMMARY

As discussed below, since NERC’s 2022 annual directives report filed on March 24, 2022, the Commission has issued six new directives related to Reliability Standards. In that time, NERC filed petitions with the Commission addressing two Reliability Standard-related directives.² Currently, there are 11 outstanding directives related to Reliability Standards or issued in orders approving Reliability Standards. NERC is addressing three of these directives through standards development projects. NERC is addressing one directive through quarterly reporting of development project status. One directive relates to a work plan for ongoing and anticipated work.

¹ The Federal Energy Regulatory Commission (“FERC” or “Commission”) approved Rule 321 on March 17, 2011 in the above captioned docket. *N. Am. Elec. Reliability Corp., Order on Compliance Filing*, 134 FERC ¶ 61,216 (2011).

² See Table 1 below for the directives that were addressed since March 24, 2022.

The other outstanding directives relate to data gathering, registration, or the performance of research or studies and are being addressed through other mechanisms.³

The 2023-2025 Reliability Standards Development Plan (“RSDP”) provides a plan to address the remaining Reliability Standard-related directives. NERC’s annual RSDP establishes priorities related to Reliability Standards to help ensure that those issues that most directly impact Bulk-Power System reliability are addressed first. Directives to create new or modify existing Reliability Standards are assigned to existing or future development projects that are prioritized by the NERC Standards Committee and are reflected in the RSDP. The 2023-2025 RSDP was filed with the Commission on November 30, 2022.⁴

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

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III. COMPLETED DIRECTIVES

The tables below contain a status update on the FERC directives. Table 1 contains a complete list of the directives NERC addressed since the 2022 directives report. Table 2 in the next section provides a list of the outstanding directives and an update on NERC’s plans to address those directives.

³ See Table 2 below for a list of outstanding directives and their status.

⁴ *NERC Informational Filing of Reliability Standards Dev. Plan 2023–2025*, Docket Nos. RM05-17-000, RM05-25-000, RM06-16-000 (Nov. 20, 2022), <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/2023-2025%20RSDP%20Filing.pdf>.

Table 1: Directives Addressed since March 24, 2022

Directive Summary	Action Taken	Standards Project Name	Filing Date
<p>Order No. 830 (S-Ref 10957) (156 FERC ¶ 61,215) ¶ 89: “[T]he Commission directs NERC, pursuant to Section 1600 of the NERC Rules of Procedure, to collect GIC monitoring and magnetometer data from registered entities for the period beginning May 2013, including both data existing as of the date of this order and new data going forward, and to make that information available.”</p>	<p>Information is now available. GMD training for third-party users was held on May 4, 2022 and the training materials are posted on the GMD page under “Training.” June 30, 2022 was the reporting deadline for the period of April 1, 2021 through March 30, 2022.</p>	<p>n/a</p>	<p>n/a</p>
<p>Nov 17, 2022 Order (1 of 2) IBR Workplan (181 FERC ¶ 61,124) ¶ 33: “[W]e direct NERC to develop and file a work plan within 90 days of the date of this order explaining how it will identify and register unregistered IBRs that, in the aggregate, have a material impact on the reliable operation of the Bulk-Power System, but that are not currently required to be registered with NERC under the BES definition. The work plan should explain how NERC will modify its processes to encompass unregistered IBRs (whether by working with stakeholders to change the BES definition, changing its Rules of Procedure related to registration, or some other solution) within 12 months of approval of the work plan. The work plan should also include implementation milestones ensuring that unregistered IBR owners and operators meeting the new registration criteria are identified within 24 months of the approval date of the work plan, and that they are registered and required to comply with applicable Reliability Standards within 36 months of the approval date of the work plan. The work plan will be noticed for public comment.”</p>	<p>Workplan submitted on February 15, 2023 in Docket No. RD22-4-000, with an amendment filed on March 13, 2023. Waiting FERC disposition.</p>	<p>n/a</p>	<p>Feb. 15, 2023; Mar. 13, 2023.</p>

IV. ONGOING DIRECTIVES

Table 2 below shows the currently outstanding directives from FERC.

Table 2: Ongoing Directives

Order & Directive Summary	Date & Docket	Standards Project Name	Status
<p>Order No. 706 (S-Ref 10820) (122 FERC ¶ 61,040) ¶ 51: “[The Commission] believe[s] that NERC should register demand side aggregators if the loss of their load shedding capability, for reasons such as a cyber incident, would affect the reliability or operability of the Bulk-Power System.... NERC should consider whether there is a current need to register demand side aggregators and, if so, to address any related issues and develop criteria for their registration.”</p>	<p>1/18/08 RM06-22-000</p>	<p>n/a</p>	<p>Ongoing. The ERO Enterprise is reviewing this question, and the potential impact that DER and demand side aggregators may have on reliability of the Bulk-Power System.</p>
<p>Order No. 851 (165 FERC ¶ 61,124) ¶ 30: “[W]e direct NERC to prepare and submit a report addressing how often and why applicable entities are exceeding corrective action plan deadlines as well as the disposition of time extension requests. The report is due within 12 months from the date on which applicable entities must comply with the last requirement of Reliability Standard TPL-007-2.”</p>	<p>11/15/18 RM10-8-000</p>	<p>n/a</p>	<p>On track to be filed by the January 1, 2025 deadline.</p>
<p>Order No. 866 (170 FERC ¶ 61,031) ¶ 36: “[W]e direct that NERC develop modifications to the CIP Reliability Standards to require protections regarding the availability of communication links and data communicated between bulk electric system Control Centers.”</p>	<p>1/23/20 RM18-20-000</p>	<p>2020-04 Modifications to CIP-012</p>	<p>In standards development under Project 2020-04 with anticipated completion in 2023.</p>
<p>Order Directing Informational Filings Regarding NERC Standard Drafting Projects (170 FERC ¶ 61,109) “NERC is directed to file quarterly status updates on Project 2016-02 and Project 2019-02, on an informational basis, starting 120 days from the date of issuance of this order.”</p>	<p>2/20/20 RD20-2-000</p>	<p>2016-02 Modifications to CIP Standards 2019-02 BES Cyber System Information Access Management</p>	<p>Ongoing. Informational filings submitted quarterly: 6/15/22, 9/15/22, 12/15/22, and 3/15/23. Project 2019-02 completed and submitted for FERC approval on September 15, 2021 in Docket No. RD21-6-000.</p>

Order & Directive Summary	Date & Docket	Standards Project Name	Status
<p>Order Directing Informational Filing (173 FERC ¶ 61,243) ¶ 17: “[W]e direct NERC to begin a formal process to assess the feasibility of voluntarily conducting BES operations in the cloud in a secure manner.”</p>	<p>12/17/20 RM20-8-000</p>	<p>n/a</p>	<p>Ongoing. The NERC Security Integration and Technology Enablement Subcommittee (“SITES”) of the Reliability and Security Technical Committee (“RSTC”) is working on a whitepaper, which is expected to be complete in 2023.</p>
<p>Order No. 876 (175 FERC ¶ 61,037) ¶ 27 (req data in ¶ 21): “[W]e... direct NERC and WECC to submit an informational filing 30 months following implementation of regional Reliability Standard BAL-002-WECC-3 containing a report that addresses the adequacy of contingency reserves in the Western Interconnection.”</p>	<p>4/15/21 RM19-20-000</p>	<p>n/a</p>	<p>NERC is working with WECC to address this directive. On track to file a report by the December 28, 2023 deadline.</p>
<p>Order No. 887 (1 of 2) Internal Network Security Monitoring (“INSM”) Study (182 FERC ¶ 61,021) ¶ 88-91: “[W]e direct NERC... to conduct a study to guide the implementation of INSM, or other mitigation strategies, for medium impact BES Cyber Systems without external routable connectivity and all low impact BES Cyber Systems. The study shall focus on two main topics: (1) risk and (2) challenges and solutions.... We direct NERC to submit the study report to the Commission within 12 months of the issuance of this final rule.” [details in PP 89-90]</p>	<p>1/19/23 RM22-3-000</p>	<p>n/a</p>	<p>NERC Staff is in the process of preparing a proposed Section 1600 data request to collect the directed information to perform the study. Study on track to be filed by the January 2024 deadline.</p>

Order & Directive Summary	Date & Docket	Standards Project Name	Status
<p>Order No. 887 (2 of 2) INSM Standards (182 FERC ¶ 61,021) ¶ 24 “[W]e direct NERC to develop new or modified CIP Reliability Standards that require applicable responsible entities to implement INSM for all high impact BES Cyber Systems with and without external routable connectivity and medium impact BES Cyber Systems with external routable connectivity.... [W]e direct that NERC submit responsive new or modified CIP Reliability Standards within 15 months of the effective date of this final rule.”</p>	<p>1/19/23 RM22-3-000</p>	<p>Project 2023-03 CIP Internal Network Security Monitoring</p>	<p>NERC has initiated a new standards project to address the directives by the July 9, 2024 deadline.</p>
<p>Feb 16, 2023 Order (1 of 2) Revise EOP-012 with a revised Implementation Plan (182 FERC ¶ 61,094) ¶ 37: “[W]e... direct NERC to develop modifications to address the concerns regarding Requirements R1 and R7, as well as other concerns we have identified as to other aspects of Reliability Standard EOP-012-1, without delaying the effective date of Reliability Standard EOP-012-1.” ¶ 38: “[W]e direct NERC to reduce the implementation time and to include a staggered implementation for Requirement R2 to reduce reliability risks...” [Those are detailed in PP 41-92]</p>	<p>2/16/23 RD23-1-000</p>	<p>Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination</p>	<p>The Project 2021-07 standard drafting team is considering revisions to the EOP-012-1 standard and implementation plan to be filed by the February 2024 deadline.</p>

Order & Directive Summary	Date & Docket	Standards Project Name	Status
<p>Feb 16, 2023 Order (2 of 2)</p> <p>Reporting Work Plan (182 FERC ¶ 61,094)</p> <p>¶ 94: “[W]e direct that NERC... work with Commission staff to develop and submit a plan within 12 months of the issuance of this order explaining how it will gather data and submit an analysis that will allow the Commission to understand the efficacy of, and monitor the ongoing risk posed by: (1) proposed technical, commercial, or operational constraint provisions in EOP-012-1, Requirements R1, R6, and R7; and (2) actual performance of freeze protection measures during future extreme cold weather events.”</p> <p>¶ 95: “To provide the Commission with an ongoing assessment of the risk to the Bulk-Power system, NERC’s plan should include an annual informational filing to the Commission beginning 12 months after the mandatory and enforceable date of the Standard.”</p> <p>[details included in PP 94-96]</p>	<p>2/16/23</p> <p>RD23-1-000</p>	<p>n/a</p>	<p>NERC Staff will initiate discussions in the coming months with FERC Staff so it may file a responsive work plan addressing the Commission’s directives by the February 2024 deadline.</p>

Order & Directive Summary	Date & Docket	Standards Project Name	Status
<p>Nov 17, 2022 Order (2 of 2) IBR Ongoing Report (181 FERC ¶ 61,124) ¶ 35 “Once the Commission approves the work plan, we direct NERC to file progress updates every 90 days from the date of approval documenting NERC’s progress. We direct NERC to complete implementation of the work plan (whether by working with stakeholders to change the BES definition, changes to its registration program, or some other solution) within 12 months from the date of Commission approval of the work plan and to complete the identification of unregistered IBR owners and operators within 24 months from the date of Commission approval, so that they are registered and required to comply with applicable Reliability Standards within 36 months from the date of Commission approval of the work plan.”</p>	<p>11/17/22 RD22-4-000</p>	<p>n/a</p>	<p>Will commence progress updates and work plan activities once the work plan has been approved by FERC.</p>

Order & Directive Summary	Date & Docket	Standards Project Name	Status
<p>Order No. 817 (153 FERC ¶ 61,178) ¶ 27: While it appears that regional discrepancies exist regarding the manner for calculating IROLs, we accept NERC’s explanation that this issue is more appropriately addressed in NERC’s Facilities Design, Connections and Maintenance or “FAC” Reliability Standards. NERC indicates that an ongoing FAC-related standards development project - NERC Project 2015-09 (Establish and Communicate System Operating Limits) - will address the development and identification of SOLs and IROLs. We conclude that NERC’s explanation, that the Project 2015-09 standard drafting team will address the clarity and consistency of the requirements for establishing both SOLs and IROLs, is reasonable. Therefore, we will not direct further action on IROLs in the immediate TOP and IRO standard-related rulemaking. However, when this issue is considered in Project 2015-19, the specific regional difference of WECC’s 1,000 MW threshold in IROLs should be evaluated in light of the Commission’s directive in Order No. 802 (approving Reliability Standard CIP-014) to eliminate or clarify the “widespread” qualifier on “instability” as well as our statement in the Remand NOPR that “operators do not always foresee the consequences of exceeding such SOLs and thus cannot be sure of preventing harm to reliability.”</p>	<p>11/19/15 RM15-16-000</p>	<p>n/a</p>	<p>Ongoing. While not a formal directive, NERC explained in its 6/28/21 petition for approval of SOL Standards developed under Project 2015-19, filed in Docket No. RD22-2-000, how it will address this issue going forward (<i>see</i> petition at p. 10).</p> <p>The Project 2021-03 SDT is considering conforming revisions to CIP-002 and CIP-014.</p> <p>In the fourth quarter of 2021, the ERO Enterprise initiated an activity to understand how Reliability Coordinators are performing their analysis and determining Interconnection Reliability Operating Limits (“IROLs”), including how the recommended practices outlined in the Reliability Guideline – Methods for Establishing IROLs have been incorporated.⁵ Aggregated information on potential industry best practices and concerns will be outlined in public reports, which are expected in 2023.</p>

⁵ NERC, *Reliability Guideline – Methods for Establishing IROLs* (Sept. 2018), https://www.nerc.com/comm/RSTC_Reliability_Guidelines/Reliability_Guideline_Methods_for_Establishing_IROLs.pdf.

V. CONCLUSION

NERC is continuing to work closely with industry stakeholders and FERC to resolve all outstanding directives. NERC respectfully requests that the Commission accept this informational filing.

Respectfully submitted,

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Date: March 27, 2023

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 27th day of March, 2023.

/s/ Lauren A. Perotti

Lauren A. Perotti

*Counsel for North American
Electric Reliability Corporation*