

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

CIP-014-2 Physical Security Reliability Standard

Industry Webinar
March 24, 2015

RELIABILITY | ACCOUNTABILITY



- NERC Antitrust Compliance Guidelines and Public Announcement
- Introductions and Opening Remarks
- FERC Order No. 802
- Standards development efforts
- Standard development timeline

- It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition. It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.
- Participants are reminded that this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.



Introductory Remarks

Name	Entity
Susan Ivey (Chair)	Exelon Corporation
Lou Oberski (Vice Chair)	Dominion
John Breckenridge	Kansas City Power & Light
Ross Johnson	Capital Power
Kathleen Judge	National Grid
Mike O'Neil	Florida Power & Light / NextEra, Inc.
Stephen Pelcher	Santee Cooper
John Pespisa	Southern California Edison
Robert Rhodes	Southwest Power Pool
Allan Wick	Tri-State Generation and Transmission
Manho Yeung	Pacific Gas and Electric Company

- Present information regarding revisions to the Physical Security Standard to address an Order 802 directive.
- Stakeholders may ask questions using the chat feature.
- Encourage members of the ballot body to vote.
 - If you have registered in the ballot body, please vote by the close of business on April 9, 2015.

- November 20, 2014, FERC Order 802:
 - The Commission approved the standard and directed NERC to remove the term “widespread” from Reliability Standard CIP-014-1 or to propose modifications to the Reliability Standard that address the Commission’s concerns within 6 months of the effective date of the order.
 - Directed NERC to make an informational filing addressing whether CIP-014-1 provides physical security for all “High Impact” control centers necessary for the reliable operation of the Bulk-Power System. The Commission directed NERC to submit this filing within two years after the effective date of the standard.

- The Physical Security Standard Drafting Team (PSSDT) met January 27, 2015 and revised the standard to address the directive.
- The PSSDT revised the standard to remove the term “widespread” from:
 - Purpose Statement
 - Background Section
 - Requirement R1 and the Rationale for Requirement R1
 - The Guidelines and Technical Basis Section of the standard
 - Reliability Standards Audit Worksheet (RSAW)

- The PSSDT also added the following to Rationale and Guideline and Technical Basis for Requirement R1:
 - “The requirement is not to require identification of, and thus, not intended to bring within the scope of the standard a Transmission station or Transmission substation unless the applicable Transmission Owner determines through technical studies and analyses based on objective analysis, technical expertise, operating experience and experienced judgment that the loss of such facility would have a critical impact on the operation of the Interconnection in the event the asset is rendered inoperable or damaged. In the November 20, 2014 Order, FERC reiterated that “only an instability that has a “critical impact on the operation of the interconnection” warrants finding that the facility causing the instability is critical under Requirement R1”. (continued)

- Addition (continued):
 - The Transmission Owner may determine the criteria for critical impact by considering, among other criteria, any of the following:
 - Criteria or methodology used by Transmission Planners or Planning Coordinators in TPL-001-4, Requirement R6
 - NERC EOP-004-2 reporting criteria
 - Area or magnitude of potential impact”

- The PSSDT received authorization to post the revised standard and associated documents from the Standards Committee on February 18, 2015.
- A 45-day comment period is open through April 9, 2015. An initial ballot on the standard will be conducted March 31 – April 9, 2015.
- Assuming a successful ballot, the standard will be presented to the NERC BOT in May 2015 for adoption and subsequent filing with FERC.
- The project has a deadline of July 27, 2015 to file a petition with FERC that addresses the directive.

- The PSSDT intends to retain the original Implementation Plan dates and timeline from CIP-014-1 for CIP-014-2.
- Transmission Owner to identify critical facilities on or before the effective date of CIP-014-1 (6 months following FERC approval)
- Tiered implementation timeline for balance of requirements (within 15 months).
- Security Plan implementation may specify timelines for completion of security measures.
- ERO to monitor implementation.

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- <http://www.nerc.com/pa/Stand/Pages/Project-2014-04-Physical-Security.aspx>



Questions