

Summary of Proposed Revisions to the NERC Rules of Procedure

Proposed Revisions to Rules of Procedure Section 1003 and Appendices 2 and 4D

Introduction

The North American Electric Reliability Corporation (NERC) is proposing changes to its Rules of Procedure Section 1003 and Appendices 2 (Definitions used the Rules of Procedure) and 4D (Procedures for Requesting and Receiving Technical Feasibility Exceptions to NERC Critical Infrastructure Protection Standards) to modify the Rules of Procedure and its associated appendices to be consistent with the cybersecurity Critical Infrastructure Protection (CIP) Reliability Standards approved by the Federal Energy Regulatory Commission (FERC) in Order No. 791, often referred to as the CIP Version 5 Standards. If approved by the NERC Board of Trustees, these revisions will be filed with the applicable governmental authorities.

Each of the revisions is addressed below.

Section 1003

NERC proposes to remove reference to the defined term “Critical Cyber Assets” in Section 1003. The defined term “Critical Cyber Asset” is a defined term used in the currently effective CIP Reliability Standards and included in the Glossary of Terms Used in NERC Reliability Standards (the “NERC Standards Glossary”). The term “Critical Cyber Asset” is not used in the CIP Version 5 Standards and will be retired from the NERC Standards Glossary on the effective date of the CIP Version 5 Standards. Accordingly, it is appropriate to remove references to that term in the NERC Rules of Procedure.

The term “Critical Cyber Asset” is used once in the Rules of Procedure in Section 1003(2.3) as follows:

NERC shall develop criteria to identify critical physical and Critical Cyber Assets, assess security threats, identify risk assessment methodologies, and assess effectiveness of physical and cyber protection measures.

NERC proposed to revise that language to use a more generic reference to critical cyber assets as follows:

NERC shall develop criteria to identify critical physical and cyber assets, assess security threats, identify risk assessment methodologies, and assess effectiveness of physical and cyber protection measures.

Appendix 2

NERC proposes revisions to Appendix 2 to:

1. Delete references to terms used in the currently effective Reliability Standards that are no longer relevant under the CIP Version 5 Standards;
2. Add new CIP version 5-specific terms from the NERC Standards Glossary that are proposed to be used in the Rules of Procedure, specifically Appendix 4D; and
3. Modify existing terms in Appendix 2 to be compatible with the CIP Version 5 Standards.

The following chart indicates which terms are being deleted, added or modified:

Proposed Deletions	Proposed Additions	Proposed Modifications
"Critical Assets" "Critical Cyber Assets"	"BES Cyber Asset" "BES Cyber System" "Electronic Access Control or Monitoring System" "Electronic Access Point" "Electronic Security Perimeter" "Interactive Remote Access" "Intermediate System" "Physical Access Control System" "Physical Security Perimeter" "Protected Cyber Asset"	"Applicable Requirement" "Compliant Date" "Covered Asset" "Critical Infrastructure Protection Standard (or CIP Standard)" "Cyber Asset" "Delegate" "Effective Date" ¹ "Responsible Entity" "Senior Manager" ² "Strict Compliance" "Technical Feasibility Exception" "TFE Request"

Appendix 4D

NERC proposes revisions to Appendix 4D for consistency with the CIP Version 5 Standards. For instance, references to the currently effective version of the CIP Standards have been replaced with updated references to the CIP Version 5 Standards. Further, among other things, Appendix 4D has been revised to

¹ The term "Effective Date" is being revised to be "TFE Effective Date."

² The term "Senior Manager" is being revised to be "CIP Senior Manager" and the definition is being change to align with the definition of that term provided in the NERC Standards Glossary.

acknowledge that under the CIP Version 5 Standards, Technical Feasibility Exceptions (“TFEs”) are available for a specific part of a requirement but not necessarily the entire requirement. Given the multiple categories of devices that may be the subject of a TFE under the CIP Version 5 Standards, Appendix 4D was also revised to require entities to provide the category of the device(s) for which the TFE is sought.

In addition to the CIP Version 5 compatibility changes, NERC is proposing a number of non-substantive clean-up changes (e.g., eliminating duplication or awkward sentence structure) to improve the readability of Appendix 4D.

Lastly, to be consistent with NERC’s risk-based approach to compliance monitoring and enforcement, NERC proposes revisions to the Electric Reliability Organizations approach to monitoring compliance with TFEs (see sections 8.1 and 9.3).