

Standard Authorization Request Form

Title of Proposed Project:	Disturbance and Sabotage Reporting (Project 2009-01)
Request Date	April 2, 2009
Approved by SC for posting:	April 15, 2009

SAR Requester Information	SAR Type <i>(Check a box for each one that applies.)</i>
Name Patrick Brown	<input type="checkbox"/> New Standard
Primary Contact Patrick Brown Manager, NERC and Regional Coordination PJM Interconnection	<input checked="" type="checkbox"/> Revision to existing Standards: CIP-001-1 and EOP-004-1
Telephone 610-666-4597	<input checked="" type="checkbox"/> Withdrawal of existing Standard
E-mail brownp@pjm.com	<input type="checkbox"/> Urgent Action

<p>Purpose (Describe the proposed standard action: Nomination of a proposed standard, revision to a standard, or withdrawal of a standard and describe what the standard action will achieve.)</p> <p>This project will entail revision to existing standards CIP-001-1 – Sabotage Reporting and EOP-004-1 – Disturbance Reporting. The standards may be merged to eliminate redundancy and provide clarity on sabotage events. EOP-004 has some ‘fill-in-the-blank’ components to eliminate. The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards.</p>
<p>Industry Need (Provide a justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard action.)</p> <p>The existing requirements need to be revised to be more specific – and there needs to be more clarity in what sabotage looks like.</p>
<p>Brief Description (Provide a paragraph that describes the scope of this standard action.)</p> <p>CIP-001 may be merged with EOP-004 to eliminate redundancies. Acts of sabotage have to be reported to the DOE as part of EOP-004. Specific references to the DOE form need to be</p>

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eliminated.

EOP-004 has some 'fill-in-the-blank' components to eliminate.

The development may include other improvements to the standards deemed appropriate by the drafting team, with the consensus of stakeholders, consistent with establishing high quality, enforceable and technically sufficient bulk power system reliability standards (see tables for each standard at the end of this SAR for more detailed information).

Detailed Description (Provide a description of the proposed project with sufficient details for the standard drafting team to execute the SAR.)

See "Issues to be Considered by Drafting Team" tables for each standard at the end of this SAR for more detailed information.

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Reliability Functions

The Standard will Apply to the Following Functions <i>(Check box for each one that applies.)</i>		
<input checked="" type="checkbox"/>	Reliability Coordinator	Responsible for the real-time operating reliability of its Reliability Coordinator Area in coordination with its neighboring Reliability Coordinator's wide area view.
<input checked="" type="checkbox"/>	Balancing Authority	Integrates resource plans ahead of time, and maintains load-interchange-resource balance within a Balancing Authority Area and supports Interconnection frequency in real time.
<input type="checkbox"/>	Interchange Authority	Ensures communication of interchange transactions for reliability evaluation purposes and coordinates implementation of valid and balanced interchange schedules between Balancing Authority Areas.
<input type="checkbox"/>	Planning Coordinator	Assesses the longer-term reliability of its Planning Coordinator Area.
<input type="checkbox"/>	Resource Planner	Develops a >one year plan for the resource adequacy of its specific loads within a Planning Coordinator area.
<input type="checkbox"/>	Transmission Planner	Develops a >one year plan for the reliability of the interconnected Bulk Electric System within its portion of the Planning Coordinator area.
<input type="checkbox"/>	Transmission Service Provider	Administers the transmission tariff and provides transmission services under applicable transmission service agreements (e.g., the pro forma tariff).
<input type="checkbox"/>	Transmission Owner	Owns and maintains transmission facilities.
<input checked="" type="checkbox"/>	Transmission Operator	Ensures the real-time operating reliability of the transmission assets within a Transmission Operator Area.
<input type="checkbox"/>	Distribution Provider	Delivers electrical energy to the End-use customer.
<input type="checkbox"/>	Generator Owner	Owns and maintains generation facilities.
<input checked="" type="checkbox"/>	Generator Operator	Operates generation unit(s) to provide real and reactive power.
<input type="checkbox"/>	Purchasing-Selling Entity	Purchases or sells energy, capacity, and necessary reliability-related services as required.
<input type="checkbox"/>	Market Operator	Interface point for reliability functions with commercial functions.
<input checked="" type="checkbox"/>	Load-Serving Entity	Secures energy and transmission service (and reliability-related services) to serve the End-use Customer.

Reliability and Market Interface Principles

Applicable Reliability Principles <i>(Check box for all that apply.)</i>	
<input checked="" type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input checked="" type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input checked="" type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input checked="" type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.
Does the proposed Standard comply with all of the following Market Interface Principles? <i>(Select 'yes' or 'no' from the drop-down box.)</i>	
1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes	
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes	
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes	
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes	

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Related Standards

Standard No.	Explanation
COM-003-1	Operations Communications Protocols – this standard may include some requirements that require coordination with the requirements addressed in this project

Related SARs

SAR ID	Explanation

Regional Variances

Region	Explanation
ERCOT	
FRCC	
MRO	
NPCC	
SERC	
RFC	
SPP	
WECC	

Issues to be Considered by Drafting Team	
Project 2009-01 – Disturbance and Sabotage Reporting	
Standard #	Title
CIP-001-0	Sabotage Reporting
Issues	FERC Order 693

	<p>Disposition: Approved with modifications</p> <ul style="list-style-type: none">• Consider the need for wider application of the standard. Consider whether separate, less burdensome requirements for smaller entities may be appropriate.• Define "sabotage" and provide guidance on triggering events that would cause an entity to report an event.• In the interim, provide advice to entities about the reporting of particular circumstances as they arise.• Consider FirstEnergy's suggestions to differentiate between cyber and physical security sabotage and develop a threshold of materiality.• Incorporate a periodic review or updating of the sabotage reporting procedures and for their periodic testing. Consider a staggered schedule of annual testing and formal review every two to three years.• Include a requirement to report a sabotage event to the proper government authorities. Develop the language to specifically implement this directive.• Explore ways to reduce redundant reporting, including central coordination of sabotage reports and a uniform reporting format. <p>V0 Industry Comments</p> <ul style="list-style-type: none">• Object to multi-site requirement• Definition of sabotage required <p>VRF comments</p> <ul style="list-style-type: none">• Adequate procedures will insure it is unlikely to lead to bulk electric system instability, separation, or cascading failures. <p>Other</p> <ul style="list-style-type: none">• Modify standard to conform to the latest version of NERC's Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure. <p>NERC Audit and Observation Team</p> <ul style="list-style-type: none">• Applicability — How does this standard pertain to Load Serving Entities, LSE's.• Registered Entities have sabotage reporting processes and procedures in place but not all personnel has been trained.• Question: How do you "and make the operator aware"• R4 — "What is meant by: "establish contact with the FBI". Is a phone number adequate? Many entities which call the FBI are referred back to the local authority. The AOT noted that on the FBI website it states to contact the local authorities. Is this a question for Homeland Security to deal with for us?"• R4 — Establish communications contacts, as applicable with local FBI and RAMP officials. Some entities are very remote and the sheriff is the only local authority does the FBI still need to be contacted? <p>FERC's December 20, 2007 and April 4, 2008 Orders in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000</p> <ul style="list-style-type: none">• In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none owned physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to
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	<p>ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be applied. Each drafting team responsible for reliability standards applicable to LSEs is to review and change as necessary, requirements in the applicable reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see:</p> <ul style="list-style-type: none"> • FERC’s December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf) • NERC’s March 4, 2008 (http://www.nerc.com/files/FinalFiledLSE3408.pdf), • FERC’s April 4, 2008 Order (http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf) and • NERC’s July 31, 2008 (http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf) compliance filings to FERC on this subject.
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Issues to be Considered by Drafting Team	
Project 2009-01 — Disturbance and Sabotage Reporting	
Standard #	Title
EOP-004-1	Disturbance Reporting
Issues	<p>FERC Order 693 Disposition: Approved with modification</p> <ul style="list-style-type: none"> • Include any requirements for users, owners, and operators of the bulk power system to provide data that will assist NERC in the investigation of a blackout or disturbance. • Change NERC’s Rules of Procedure to assure the Commission receives these reports in the same frame as the DOE. • Consider APPA’s concern about generator operators and LSEs analyzing performance of their equipment and provide data and information on the equipment to assist others with analysis. • Consider all comments offered in a future modification of the reliability standard. <p>Fill-in-the-Blank Team Comments</p> <ul style="list-style-type: none"> • Consider changes to R1 and R3.4 to standardize the disturbance reporting requirements (requirements for disturbance reporting need to be added to this standard) • Regions currently have procedures, but not in the form of a standard. The drafting team will need to review regional requirements to determine reporting requirements for the North American standard. <p>VO Industry Comments</p> <ul style="list-style-type: none"> • R3 – too many reports, narrow requirement to RC • How does this apply to generator operator? <p>Other</p> <ul style="list-style-type: none"> • Modify standard to conform to the latest version of NERC’s Reliability Standards Development Procedure, the NERC Standard Drafting Team Guidelines, and the ERO Rules of Procedure. <p>NERC Audit and Observation Team</p> <ul style="list-style-type: none"> • R3.1 — Can there be a violation without an event?

Event Analysis Team

- Reliability Issue: Coordination and follow up on lessons learned from event analyses Consider adding to EOP-004 – Disturbance Reporting. Proposed requirement: Regional Entities (REs) shall work together with Reliability Coordinators, Transmission Owners, and Generation Owners to develop an Event Analysis Process to prevent similar events from happening and follow up with the recommendations. This process shall be defined within the appropriate NERC Standard.

FERC's December 20, 2007 and April 4, 2008 Orders in Docket Nos. RC07-004-000, RC07-6-000, and RC07-7-000

- In FERC's December 20, 2007 Order, the Commission reversed NERC's Compliance Registry decisions with respect to three load serving entities in the ReliabilityFirst (RFC) footprint. The distinguishing feature of these three LSEs is that none owned physical assets. Both NERC and RFC assert that there will be a "reliability gap" if retail marketers are not registered as LSEs. To avoid a possible gap, a consistent, uniform approach to ensure that appropriate Reliability Standards and associated requirements are applied to retail marketers must be applied. Each drafting team responsible for reliability standards applicable to LSEs is to review and change as necessary, requirements in the applicable reliability standards to address the issues surrounding accountability for loads served by retail marketers/suppliers. For additional information see:
 - FERC's December 20, 2007 Order (http://www.nerc.com/files/LSE_decision_order.pdf)
 - NERC's March 4, 2008 (<http://www.nerc.com/files/FinalFiledLSE3408.pdf>),
 - FERC's April 4, 2008 Order (<http://www.nerc.com/files/AcceptLSECompFiling-040408.pdf>) and
 - NERC's July 31, 2008 (<http://www.nerc.com/files/FinalFiled-CompFiling-LSE-07312008.pdf>) compliance filings to FERC on this subject.