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address virtualization.<sup>6</sup> 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-005-6, CIP-006-6, CIP-007-6, and CIP-010-3, with conforming changes to Reliability Standards CIP-002-5.1a, CIP-003-8, CIP-008-6, CIP-009-6, CIP-011-2, and CIP-013-1.

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.<sup>7</sup> 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.<sup>8</sup>

NERC provided the initial informational filing regarding the schedules on March 19, 2020<sup>9</sup> and eight additional quarterly informational filings with updated schedules on June 19, 2020,<sup>10</sup>

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<sup>6</sup> “Virtualization is the process of creating virtual, as opposed to physical, versions of computer hardware to minimize the amount of physical 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>).

<sup>7</sup> 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.

<sup>8</sup> *Id.*

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

<sup>10</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (June 19, 2020).

September 17, 2020,<sup>11</sup> December 15, 2020,<sup>12</sup> March 15, 2021,<sup>13</sup> June 15, 2021,<sup>14</sup> September 15, 2021,<sup>15</sup> December 15, 2021,<sup>16</sup> and March 15, 2022.<sup>17</sup> NERC also provided a supplemental informational filing on November 13, 2020.<sup>18</sup> NERC filed for Commission approval the standards revised under Project 2019-02 (CIP-004-7 and CIP-011-3) on September 15, 2021,<sup>19</sup> and the Commission approved CIP-004-7 and CIP-011-3 on December 7, 2021.<sup>20</sup>

## II. PROJECT SCHEDULE

The schedule for Project 2016-02, shown below, revises the schedule from the March 2022 Informational Filing due to an additional ballot that did not achieve the requisite ballot body approval for three of the eleven Reliability Standards.<sup>21</sup> As revisions to the standards that failed may impact the standards that passed ballot, the standard drafting team will post all standards for an additional formal comment period and ballot. In addition, the revised schedule below incorporates coordinated dates with Project 2020-03 – Supply Chain Low Impact Revisions due to that project’s revisions to Reliability Standard CIP-003-8. As two teams are both revising the

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<sup>11</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (September 17, 2020).

<sup>12</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (December 15, 2020).

<sup>13</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (March 15, 2021).

<sup>14</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (June 15, 2021).

<sup>15</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (September 15, 2021).

<sup>16</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (December 15, 2021).

<sup>17</sup> NERC, *Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (March 15, 2022) [hereinafter March 2022 Informational Filing].

<sup>18</sup> NERC, *Supplemental Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects*, Docket No. RD20-2-000 (November 13, 2020).

<sup>19</sup> 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).

<sup>20</sup> 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).

<sup>21</sup> 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>.

same standard, NERC must determine whether to present two versions to the NERC Board of Trustees (“NERC Board”) for adoption (e.g., the first being a revised version with supply chain changes, and the second reflecting both the supply chain changes previously adopted by the Board and virtualization changes), or consolidate the revisions into one version for NERC Board adoption. Either option permits NERC to seek industry approval and Board adoption consistent with the NERC Rules of Procedure Appendix 3A Standard Processes Manual. Next steps include the following:

Project 2016-02 Modifications to CIP Standards

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

### III. CONCLUSION

At the time of this filing, Project 2016-02 remains on schedule as modified 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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June 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 June, 2022.

*/s/ Marisa Hecht*

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