

# Standards, Compliance, and Enforcement Bulletin

January 29–February 4, 2018

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## ACTIVE STANDARDS POSTINGS

### Current and Upcoming Ballots (ballot periods close at 8:00 p.m. Eastern)

Project	Action	Start Date	End Date
<b>NEW</b> <a href="#">Project 2017-02 – Modifications to PER Standards</a>   PER-003-2 and Implementation Plan	<a href="#">Initial Ballots</a>	02/26/18	03/07/18

### Join Ballot Pools (ballot pool windows close at 8:00 p.m. Eastern)

Project	Action	Start Date	End Date
<b>NEW</b> <a href="#">Project 2017-02 – Modifications to PER Standards</a>   PER-003-2 and Implementation Plan	<a href="#">Join Ballot Pools</a>	01/22/18	02/20/18

### Posted for Comment

Project	Action	Start Date	End Date
<a href="#">Project 2017-05 – NUC-001-3 Periodic Review</a>   Preliminary Team Recommendation	<a href="#">Comment Period</a>	12/15/17	01/29/18

<a href="#">Project 2017-04 – Periodic Review of INT Standards</a>   Templates	<a href="#">Comment Period</a>	01/10/18	02/23/18
<b>NEW</b> <a href="#">Project 2017-02 – Modifications to PER Standards and Implementation Plan</a>   PER-003-2	<a href="#">Comment Period</a>	01/22/18	03/07/18

**OTHER ACTIVE COMMENT PERIODS**

Posted for Comment			
Posting	Action	Start Date	End Date
<p><b>Comment Period Open for Methods for Establishing IROLS Draft Reliability Guideline:</b> The NERC Methods for Establishing IROLS Task Force (MEITF) has developed a Reliability Guideline that provides guidance and technically sounds methods for the electric power industry in establishing Interconnection Reliability Operating Limits (IROLS). This effort was undertaken at the request of the NERC Planning and Operating Committees to support the NERC Project 2015-09 Standard Drafting Team (SDT). The <a href="#">guideline</a> provides an overall framework and detailed technical reference material related to the assessment of System Instability, Uncontrolled Separation, and Cascading to ensure Reliable Operation of the BPS. Each of the three concepts related to Reliable Operation are discussed in depth, including analysis techniques and considerations that should be made when determining how they may contribute to the establishment of an IROL. Recommended practices and techniques are described using example simulations and actual system studies to clearly articulate the concepts. The overall IROL framework is also described in detail to ensure consistent terminology when discussing IROLS.</p>	<p>Submit comments via <a href="#">email</a> using the <a href="#">comment form</a>.</p>	12/13/17	01/29/18

<p>Project 2015-09 SDT is actively working on revisions to existing NERC FAC Standards (namely FAC-010, FAC-011, and FAC-014) involved in the establishment of IROLs. These standards are currently in development, and the MEITF coordinated its activities with the proposed changes being made by the SDT. The majority of recommended practices and technical material in the draft guideline are agnostic to these changes and focus on the analytical techniques for establishing IROLs; however, some aspects of the recommended framework are aligned with changes being proposed by the SDT. In particular, the guideline aligns with the concepts that IROLs are established in the operations horizon and information regarding stability limitations are provided from Planning Coordinators to Reliability Coordinators.</p>			
<p><b>Comment Period Open for Cyber Intrusion Guide for System Operators Draft Reliability Guideline:</b> The NERC Operating Reliability Subcommittee (ORS) developed the <a href="#">draft Reliability Guideline: Cyber Intrusion Guide for System Operators</a>, which is intended to assist System Operators in detecting and responding to potential cyber security incidents and provides guidance on when to activate your entity-specific incident reporting procedures.</p> <p>The NERC Operating Committee reviewed the initial draft of the guideline at its December 2017 meeting and approved it for a 45-day industry comment period.</p> <p>A draft version of the guideline has been posted on the NERC website for industry comment. Comments are to be submitted via <a href="#">email</a> by January 29, 2018 at 5:00 p.m.ET using the “Reliability Guideline: Cyber Intrusion Guide for System Operators – Comment Form.”</p>	<p>Submit comments via <a href="#">email</a> using the <a href="#">comment form</a>.</p>	<p>12/15/17</p>	<p>01/29/18</p>

<p><b>NERC Seeks Industry Input for Standards Efficiency Review:</b> NERC is seeking industry input on potential requirements that could be retired from the existing body of Reliability Standards. This input will be provided to the new Standards Efficiency Review (SER) Teams for their consideration in the SER project. Phase 1 of the SER project will focus on Operations &amp; Planning Standards, though NERC is collecting industry input for all standards including CIP.</p> <p>The project scope evaluates NERC Reliability Standards using a risk-based approach to identify potential efficiencies through retirement or modification of Reliability Standard Requirements. Considering that many Reliability Standards have been mandatory and enforceable for more than ten years in North America, this project seeks to identify potential candidate Requirements that are not essential for reliability, could be simplified or consolidated, and could thereby reduce regulatory obligations and/or compliance burden. Each SER team should be composed of individuals that combined represent a broad range of experience, including engineering, operations, compliance, and legal.</p> <p><b>Evaluation Criteria for Retiring Reliability Standards Requirements:</b></p> <ul style="list-style-type: none"> <li>• Requirement acts as a control to support compliance with another Requirement</li> <li>• Requirement regulates a high volume of Low Risk activity</li> <li>• Compliance evidence for the Requirement is not needed greater than 90 days to achieve reliability</li> </ul>	<p>Submit the completed <a href="#">spreadsheet</a> to <a href="#">Chris Larson</a>.</p>	<p>12/13/17</p>	<p>02/02/18</p>
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<ul style="list-style-type: none"> <li>• Requirement exists to prove that an event or incident did not happen or to prove a negative</li> <li>• Data retention obligation for the Requirement can be significantly reduced</li> <li>• Requirement is a candidate for coverage in NERC Certification Program (e.g. the Requirement pertains to basic functionality of registered entity)</li> <li>• Other proposed criteria from industry</li> </ul> <p>For Requirements that you feel are candidates for retirement, please provide sufficient justification for the SER Teams. Use the <a href="#">spreadsheet</a>, which has separate tabs for Operations &amp; Planning and CIP Requirements, to provide your input.</p>			
<p><b>Comment Period Open for Power Plant Model and Verification Testing for Synchronous Machines Draft Reliability Guideline:</b> The development and verification of steady-state and dynamic models that accurately represent the equipment installed in the field is a critical component of planning and operating the bulk power system. The <a href="#">draft Reliability Guideline</a> covers an array of testing considerations, procedures, and how those tests help derive or verify model parameters, as related to MOD-025-2, MOD-026-1, and MOD-027-1 Reliability Standards. The guideline describes tests that may need to be performed for generating facilities depending on specific situations (e.g., commissioning, development of a baseline model, and model verification).</p> <p>In addition to the dynamic model verification processes, the inter-related aspects of generator protection coordination (PRC-019-2) and</p>	<p>Submit comments via <a href="#">email</a> using the <a href="#">comment form</a>.</p>	<p>01/10/18</p>	<p>02/23/18</p>

generator capability testing (MOD-025-2) are considered in the guideline.			
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**STANDARDS NEWS**

There is no additional Standards news to report for this week.

**Quick Links**

- [Register in the SBS](#)
- [Projected Standards Posting Schedule](#)
- [Project Tracking Spreadsheet](#)
- [Standards Related Questions – Single Portal](#)
- [2017–2019 Reliability Standards Development Plan](#)
- [Quality Review Application](#)

**GENERAL COMPLIANCE AND ENFORCEMENT NEWS**

**NEW Compliance Monitoring and Enforcement Program Annual Report Now Available**

This report highlights key ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) activities that occurred in 2017, provides information and statistics regarding those activities, and identifies the ERO Enterprise’s 2018 CMEP priorities. In 2017, CMEP activities throughout the ERO Enterprise reflected continuing implementation of a risk-based approach that has allowed the ERO Enterprise to focus resources on risks to the reliability of the BPS, entity-specific risks, and serious risk noncompliance. NERC and the REs also collaborated on various compliance monitoring activities to identify lessons learned and provide additional insight and information to industry stakeholders. Most significantly, the ERO Enterprise focused in 2017 on the continued alignment of core CMEP activities.

**Quick Links**

- [Risk-Based CMEP](#)
- [CIP V5 Transition Program](#)
- [ERO Enterprise Program Alignment Process](#)
- [Consistency Reporting Tool \(EthicsPoint\)](#)
- [Risk-Based Registration Initiative](#)
- [Reliability Standard Audit Worksheets](#)
- [Enforcement & Mitigation: Enforcement Actions](#)

Alignment of CMEP activities in 2017 included a focus on penalties, education and training, coordinated oversight, RE compliance activities, and technology enhancements that would provide a more effective method to continue a unified ERO Enterprise CMEP implementation. The ERO Enterprise focused on alignment of these activities in part through continued collaboration and exchange of ideas with the members from the Compliance and Certification Committee (CCC) and Member Representatives Committee (MRC) on the ERO Enterprise Program Alignment Process and CMEP Technology Project. In 2017, NERC collaborated with FERC on compliance monitoring activities, including focus areas for regional audits based on audit observations, risk elements, implementation guidance, and events. For more information, please view the whole [report](#).

#### **Future Actions for Compliance Application Notices, Process Bulletins, and Directives Document Posted**

The ERO Enterprise has over time issued a number of supplementary documents to address questions about compliance with Reliability Standards and requirements. Such documents include [Compliance Process Bulletins](#), [Compliance Application Notices \(CANs\)](#), and [Compliance Directives](#), as posted on [NERC's Compliance Tools and Auditor Resources web page](#).

Upon review by the ERO Enterprise and with input from the Compliance and Certification Committee, certain CANs, Process Bulletins, and Directives are no longer applicable to the effective Reliability Standards, are outdated, or are covered under NERC Rules of Procedure, and will be retired and archived during the week of February 19, 2018.

NERC has posted a [Future Actions for Compliance Application Notices, Process Bulletins, and Directives document](#), which contains the complete list of affected documents and rationale for their retirement.

### OTHER NEWS

#### **ERO Registration Team Prepares for Launch of Joint Registration Organization Project**

As part of the Entity Registration Program, the ERO Registration team would like to inform registered entities of a new project to develop an application for automating the Joint Registration Organization (JRO) process. This application, which will be accessed from the NERC ERO Portal, will provide registered entities, Regional Entities, and NERC Registration with the ability to systematically submit and manage JRO requests. A consolidated portal is important for maintaining consistency, reducing burden, and improving registration services.

The ERO Registration team will send subsequent communications that will request feedback from registered entities who currently participate in a JRO. The team will seek input through early February from all JRO registered entities on the design. There are plans to assemble a small focus group to provide end-user feedback during the development of the tool. This focus group will start participating in early February. Later in the

project, the ERO Registration team will seek JRO registered entities to participate in testing the software functionality before releasing the tool, which is tentatively scheduled for fourth quarter 2018.

NERC and the Regional Entities will be coordinating the information gathering efforts on the project and will send additional progress updates to the JRO Registered Entities as necessary.

**STANDARDS SUBJECT TO FUTURE ENFORCEMENT**

The following standards are subject to future enforcement. Please refer to the [U.S. Effective Dates page](#) for more detail:

U.S. Effective Date	Standard(s)
<b>April 1, 2018</b>	<a href="#">IRO-018-1(i) – Reliability Coordinator Real-time Reliability Monitoring and Analysis Capabilities</a>
	<a href="#">TOP-010-1(i) – Real-time Reliability Monitoring and Analysis Capabilities</a>
<b>July 1, 2018</b>	<a href="#">CIP-009-6 – Cyber Security – Recovery Plans for BES Cyber Systems (Requirement 2.3);</a>
	<a href="#">CIP-010-2 – Cyber Security – Configuration Change Management and Vulnerability Assessments (Requirements 3.2, 3.2.1, 3.2.2);</a>
	<a href="#">MOD-026-1 – Verification of Models and Data for Generator Excitation Control System or Plant Volt/Var Control Functions (Requirements 2, 2.1–2.1.6);</a>
	<a href="#">MOD-027-1 – Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions (Requirements 2, 2.1–2.1.5);</a>
	<a href="#">TOP-001-4 – Transmission Operations</a>
	<a href="#">TPL-007-1 – Transmission System Planned Performance for Geomagnetic Disturbance Events (Requirement 2)</a>
<b>September 1, 2018</b>	<a href="#">CIP-003-6 – Cyber Security – Security Management Controls (Requirement 2, Att. 1, Sec. 2 and 3);</a>
<b>January 1, 2019</b>	<a href="#">BAL-005-1 – Balancing Authority Control</a>
	<a href="#">FAC-001-3 – Facility Interconnection Requirements</a>
	<a href="#">TPL-007-1 – Transmission System Planned Performance for Geomagnetic Disturbance Events (Requirement 5)</a>
<b>January 1, 2020</b>	<a href="#">PRC-026-1 – Relay Performance During Stable Power Swings (Requirements 2–4)</a>
<b>July 1, 2020</b>	<a href="#">PRC-002-2 – Disturbance Monitoring and Reporting Requirements (50% compliance for Requirements 2–4, 6–11)</a>



January 1, 2021	<a href="#">PRC-012-2 – Remedial Action Schemes</a>
	<a href="#">TPL-007-1 – Transmission System Planned Performance for Geomagnetic Disturbance Events (Requirements 6, 6.1–6.4)</a>
January 1, 2022	<a href="#">TPL-007-1 – Transmission System Planned Performance for Geomagnetic Disturbance Events (Requirements 3,4,7)</a>
July 1, 2022	<a href="#">PRC-002-2 – Disturbance Monitoring and Reporting Requirements (100% compliance for Requirements 2–4, 6–11)</a>
	VAR-501-WECC-3 – Power System Stabilizer (Requirement 3 has an effective date of July 1, 2022 for units placed in service prior to final regulatory approval.)

## BOARD OF TRUSTEES AND FERC ACTION

### **NEW** NERC Board of Trustees Meeting Agenda Packages, Policy Input, and Schedule of Events Posted

Agenda packages for the [Board of Trustees](#), [Compliance Committee](#), [Member Representatives Committee](#), [Corporate Governance and Human Resources Committee](#), and [Technology and Security Committee](#) meetings on February 7–8, 2018 in Fort Lauderdale, FL are now available. The Finance and Audit Committee agenda package will be posted shortly. The [schedule of events](#) and [policy input document](#) are also available.

### **NEW** Revisions to NERC Rules of Procedure Posted in Anticipation of Board Meeting

On July 26, 2016, NERC posted the introduction of a Consolidated Hearing Process for a 45-day public comment period. After the comment period ended, the NERC Board of Trustees approved the proposed hearing process. NERC then filed a petition on December 9, 2016 with FERC for approval of the applicable [NERC Rules of Procedure](#) (ROP) revisions. FERC staff raised concerns related to the Hearing Officer’s ability to cast the deciding vote in the event that any Hearing Body vote results in a tie. To address FERC staff’s concerns, NERC proposes to modify the composition of the consolidated Hearing Body by increasing the number of members by one. The proposed Hearing Body would be composed of five members, instead of four to prevent a tie. The Hearing Officer would not have a vote on any matter brought before the Hearing Body for decision.

FERC staff also recognized that the current ROP uses the terms “segment” and “sector” inconsistently. NERC proposes to delete the term “segment” and replace it with “sector” in the provisions pending before FERC regarding the Consolidated Hearing Process.

NERC intends to present these changes to the NERC Board of Trustees for consideration at its meeting on February 8, 2018. If the changes are approved, NERC intends to file an amended petition with FERC for approval of the applicable ROP revisions. A [summary](#) of the proposed changes is available as well as the [Consideration of Comments](#) document. Proposed changes for [Section 400](#), [Appendix 2](#), and [Appendix 4C](#) are also available.

### NEW NERC Filings

On January 22, 2018, NERC filed with FERC a [petition](#) for approval of proposed Reliability Standard TPL-007-2 – Transmission System Planned Performance for Geomagnetic Disturbance Events. NERC's 2018 filings to FERC are available [here](#).

## UPCOMING EVENTS

For information about other NERC events, such as meetings and conference calls for standard drafting teams, other standing committees, subcommittees, task forces, and working groups, please refer to the [NERC calendar](#).

### Workshops and Conferences

- **NEW** Emerging Technology Roundtable – 1:00–5:00 p.m. Eastern, March 7, 2018, Jacksonville, FL | [Register](#)
- Seventh Annual Human Performance Conference – March 27–29, 2018, Atlanta | [Register for Conference and Workshops](#) | [Register for Hotel](#)

### Webinars

There are no webinars currently scheduled.

### Standing Committee Meetings and Conference Calls

- Board of Trustees Committees, Member Representatives Committee, and Board of Trustee Meetings – February 7–8, 2018, Ft. Lauderdale, FL | [Register](#)
- Operating Committee, Planning Committee, and Critical Infrastructure Protection Committee Meetings – March 6–7, 2018, Jacksonville, FL | [Register for OC](#) | [Register for PC](#) | [Register for CIPC](#) | [Register for Hotel](#)

### Standard Drafting Team Meetings and Conference Calls

The [Standards calendar](#) provides dial-in information for the in-person meetings below. The calendar also provides information about conference calls that drafting teams may hold in addition to in-person meetings.

- Project 2017-03 – FAC-008-3 Periodic Review Team Meeting – February 6–8, 2018, Alhambra, CA | [Register](#)
- **NEW** Project 2015-09 – System Operating Limits Standard Drafting Team – February 13–15, 2018, Denver, CO | [Register](#)
- Project 2016-02 – Modifications to CIP Standards Drafting Team Meeting – February 13–15, 2018, Orlando, FL | [Register](#)

- Project 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards Team Meeting – February 27–March 1, 2018, Dallas, TX | [Register](#)
- **NEW** Project 2016-02 – Modifications to CIP Standards Drafting Team Meeting – March 27–29, 2018, Atlanta | [Register](#)

### ABOUT THE STANDARDS, COMPLIANCE, AND ENFORCEMENT BULLETIN

This weekly bulletin compiles a list of standards, compliance, and enforcement projects with actionable deadlines, as well as upcoming events, recently posted resources, other NERC documents posted for comment, and other relevant news and information. Please email [Amy Desselle](#) with feedback on this bulletin. The current bulletin and old bulletins are available under “Program News” on both the [Standards home page](#) and the [Compliance & Enforcement home page](#).

If you would like to receive this bulletin or be added to the distribution list for a particular project, please contact [Sandy Shiflett](#). For more information about any of the compliance news listed in the bulletin, please contact [Tiffany Whaley](#).