

address virtualization.⁶ 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-005-7, CIP-006-6, CIP-007-6, and CIP-010-4, with conforming changes to Reliability Standards CIP-002-5.1a, CIP-003-8, CIP-008-6, CIP-009-6, CIP-011-2, and CIP-013-2.

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 2019-02.⁷ 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.⁸

NERC provided the initial informational filing regarding the schedules on March 19, 2020⁹ and 13 additional quarterly informational filings with updated schedules and one supplemental informational filing within the abovementioned docket. NERC filed for Commission approval the

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

⁷ 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.

⁸ *Id.*

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

standards revised under Project 2019-02 (CIP-004-7 and CIP-011-3) on September 15, 2021,¹⁰ and the Commission approved CIP-004-7 and CIP-011-3 on December 7, 2021.¹¹

II. PROJECT SCHEDULE

The schedule for Project 2016-02, shown below, revises the schedule from the previous informational filing in this docket due to an additional ballot that did not achieve the requisite ballot body approval for two of the eleven Reliability Standards.¹² Based on comments received, the standard drafting team continues to develop modifications to the requirements to achieve consensus, specifically in developing language that is broad enough to address physical and virtual assets.

Next steps include the following:

Project 2016-02 Modifications to CIP Standards

- Additional 45-day formal comment period and ballot: To be Posted ~~August~~
September 2023
- Final ballot: To be posted ~~October~~ **November 2023**
- NERC Board Adoption: **December 2023**
- FERC Filing: **January 2024**

III. CONCLUSION

At the time of this filing, Project 2016-02 remains on schedule as described herein. If any changes occur to the project's status, target dates, or anticipated filing dates, NERC will provide

¹⁰ 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 (Sep. 15, 2021).

¹¹ 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 (Dec. 7, 2021).

¹² 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>.

these changes in its quarterly informational filings submitted pursuant to the directive in the February 20 Order.

Respectfully submitted,

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September 15, 2023

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 September 2023.

/s/ Marisa Hecht

Marisa Hecht
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