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Note: an Interpretation cannot be used to change a standard.

Request for an Interpretation of a Reliability Standard

Date submitted: 2/24/11

Contact information for person requesting the interpretation:

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Identify the standard that needs clarification:

Standard Number (include version number): CIP-002-3

(example: PRC-001-1)

Standard Title: Cyber Security – Critical Cyber Asset Identification

Identify specifically what requirement needs clarification:

Requirement Number and Text of Requirement:

CIP-002-3 R1.2.5 - Systems and facilities critical to automatic load shedding under a common control system capable of shedding 300 MW or more.

Clarification needed: Based on the text above, an auditor could apply this standard to the Smart Grid Advanced Meter Infrastructure (AMI) remote connect/disconnect functionality. While the AMI system is not designed to perform automatic load shedding of 300 MW it could be repurposed to shed an aggregate load of 300 MW or more. However, it is important to note that the AMI remote disconnect function is not used for under-voltage load shedding or under-frequency load shedding as a part of the region's load shedding program.

The primary purpose of the AMI remote connect/disconnect function is to connect and disconnect individual retail electric customers from a central location rather than at the meter itself to enable substantial efficiency gains.

OGE would like NERC to clarify that a company's SmartGrid AMI functionality, which may be able to disconnect 300+ MW of load, is not considered a system or facility critical to automatic load shedding under a common control system capable of shedding 300 mw and therefore it should not be included in the Company's risk based methodology. OGE believes this clarification is appropriate because CIP-002-3 R1.2.5 was written to address under-voltage and under-frequency load shedding systems; SmartGrid AMI disconnect functionality pertains to neither.

Identify the material impact associated with this interpretation:

Identify the material impact to your organization or others caused by the lack of clarity or an incorrect interpretation of this standard.

The AMI Remote Disconnect function has no impact on OGE's ability to participate in SPP's load shedding program. The cost of compliance for OGE alone is in the millions of dollars without any significant benefit to the reliability of the Bulk Electric System.

Project 2012-INT-05: Response to Request for an Interpretation of NERC Standard CIP-002-3 for the OGE Energy Corporation

The following interpretation of NERC Standard CIP-002-3 Cyber Security — Critical Cyber Asset Identification, Requirement R1.2.5, was developed by a project team from the CIP Interpretation Drafting Team.

Requirement Number and Text of Requirement

R1. Critical Asset Identification Method — The Responsible Entity shall identify and document a risk-based assessment methodology to use to identify its Critical Assets.

R1.2. The risk-based assessment shall consider the following assets:

R1.2.5. Systems and facilities critical to automatic load shedding under a common control system capable of shedding 300 MW or more.

Question

OGE Energy Corporation seeks clarification on the meaning of CIP-002-3, Requirement R1.2.5 as it relates to "SmartGrid Advanced Meter Infrastructure (AMI) remote connect/disconnect functionality."

In its response, the Interpretation Drafting Team will answer whether a company's SmartGrid AMI functionality, which may be able to disconnect more than 300 MW of load, is considered a system or facility critical to automatic load shedding under a common control system capable of shedding 300 MW or more under CIP-002-3, Requirement 1.2.5.

Response

In evaluating OGE's request, the Interpretation Drafting Team (IDT) clarifies the meaning of CIP-002-3, Requirement R1.2.5 as it relates and applies to new technologies such as AMI. CIP-002-3, Requirement R1.2.5, along with the context of the standard as a whole, informed development of this interpretation.

CIP-002-3, Requirement R1.2 specifies that the Responsible Entity's risk-based assessment methodology ("RBAM") "shall consider" the assets described in Requirement R1.2.5 for identification as Critical Assets.

Each year, during the annual approval required under CIP-002-3, Requirement R4, a Responsible Entity must reevaluate whether it has systems or facilities, as specified in Requirement R1.2.5, that are "critical to automatic load shedding under a common control system capable of shedding 300 MW or more." If it does, pursuant to Requirement R1.2, the Responsible Entity must consider that asset for identification as a Critical Asset under its RBAM required by CIP-002-3, Requirement R1. If a system or facility is not "critical to" automatically shedding load, or the common

control system is not “capable of” shedding 300 MW or more, the asset may not be a Critical Asset.

Asset identification under CIP-002-3, Requirement R1 is based on a facts and circumstance-driven analysis and is not dependent exclusively on specific technology or specific types of systems or facilities. For instance, systems or facilities such as AMI may have the potential or capability to be set up to automatically shed load, but having that potential or capability does not necessarily mean that the system or facility performs the function as described in Requirement R1.2.5.

Therefore, if a system or facility such as AMI meets the specifications of Requirement 1.2.5 (i.e., is both capable of shedding 300 MW or more and is set up and purposed to automatically shed load), the Responsible Entity should consider the system or facility for identification as a Critical Asset under its RBAM. Otherwise, the Responsible Entity is not required to consider the system or facility for identification as a Critical Asset.