Unofficial Comment Form

Project 2014-04 Physical Security
CIP-014-2

**DO NOT** use this form for submitting comments. Use the [electronic form](https://sbs.nerc.net/) to submit comments on the draft CIP-014-2 Reliability Standard. The electronic comment form must be completed by **8 p.m. Eastern on April 9, 2015.**

If you have questions, contact Stephen Crutchfield (via email) or by telephone at (609) 651-9455.

The project page may be accessed [here](http://www.nerc.com/pa/Stand/Pages/Project-2014-04-Physical-Security.aspx).

## Background Information

In Order No. 802 (final order on CIP-014-1 – Physical Security), issued on November 20, 2014, FERC directed NERC to remove the term “widespread” from Reliability Standard CIP-014-1 or, alternatively, to propose modifications to the Reliability Standard that address the Commission’s concerns. FERC directed that NERC submit a responsive modification within six months from the effective date of this final rule.

FERC noted that incorporating the undefined term “widespread” in Reliability Standard CIP-014-1 introduces excessive uncertainty in identifying critical facilities under Requirement R1. As the Commission stated in the March 7 Order, only an instability that has a “critical impact on the operation of the interconnection” warrants finding that the facility causing the instability is critical under Requirement R1. The March 7 Order did not intend to suggest that the physical security Reliability Standards should address facilities that do not have a “critical impact on the operation of the interconnection.” This understanding is, we believe, unintentionally absent in Requirement R1 because the requirement only deems a facility critical when, if rendered inoperable or damaged, it could result in widespread instability, uncontrolled separation, or Cascading within an Interconnection. The definition in Requirement R1 should not be dependent on how an applicable entity interprets the term “widespread” but instead should be modified to make clear that a facility that has a critical impact on the operation of an Interconnection is critical and therefore subject to Requirement R1.

The Physical Security Standard Drafting Team (PSSDT) revised CIP-014-1, Physical Security, by removing the term “widespread” from the standard. This was done in the Purpose Statement, Background Section, Requirement R1, the Rationale for Requirement R1 as well as the Guidance and Technical Basis Section of the standard. Additionally, the PSSDT has added the following to the Rationale and guideline and Technical Basis for Requirement R1:

“The requirement is not to require identification of, and thus, not intended to bring within the scope of the standard a Transmission station or Transmission substation unless the applicable Transmission Owner determines through technical studies and analyses based on objective analysis, technical expertise, operating experience and experienced judgment that the loss of such facility would have a critical impact on the operation of the Interconnection in the event the asset is rendered inoperable or damaged. In the November 20, 2014 Order, FERC reiterated that “only an instability that has a “critical impact on the operation of the interconnection” warrants finding that the facility causing the instability is critical under Requirement R1.” The Transmission Owner may determine the criteria for critical impact by considering, among other criteria, any of the following:

• Criteria or methodology used by Transmission Planners or Planning Coordinators in TPL-001-4, Requirement R6

• NERC EOP-004-2 reporting criteria

• Area or magnitude of potential impact”

Additionally, the PSSDT revised the Rationale for Requirement R1 as follows:

Requirement R1 also meets the FERC directive for periodic reevaluation of the risk assessment by requiring the risk assessment to be performed every 30 months (or 60 months for an entity that has not identified in a previous risk).

You do not have to answer all questions below. Enter comments in simple text format. Bullets, numbers, and special formatting will not be retained. Due to the expected volume of comments, the SDT asks that commenters consider consolidating responses and endorsing comments provided by another.

## Questions

1. The PSSDT has revised CIP-014-1, Physical Security, to address the directive from FERC to to remove the term “widespread” from Reliability Standard CIP-014-1. Do you agree with the proposed revisions to the standard contained in CIP-014-2 as summarized above? If not, please provide specific comments regarding the revisions and any suggestions for appropriate revisions.

[ ]  Yes

[ ]  No

Comments: