

Project 2023-03 Internal Network Security Monitoring

Action

- Accept the revised Project 2023-03 INSM Standard Authorization Request (SAR);
- Authorize drafting of Reliability Standard(s) identified in the SAR; and
- Approve a waiver of provisions of the Standard Processes Manual for Project 2023-03 Internal Network Security Monitoring (INSM) due to regulatory deadlines, as follows:
 - Initial formal comment and ballot period reduced from 45 days to as few as 30 calendar days, with ballot pools formed in the first 20 days, and initial ballot and non-binding poll of Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) conducted during the last 5 days of the comment period (Sections 4.9, 4.10);
 - Additional formal comment and ballot period(s) reduced from 45 days to as few as 20 calendar days, with ballot(s) and non-binding poll(s) conducted during the last five days of the comment period (Sections 4.9, 4.10).
 - Final ballot reduced from 10 days to as few as five calendar days (Section 4.13)

Background

On January 19, 2023, the Federal Energy Regulatory Commission (FERC) issued Order No. 887 directing NERC to develop requirements within the Critical Infrastructure Protection (CIP) Reliability Standards for INSM of all high-impact Bulk Electric System (BES) Cyber Systems and medium impact BES Cyber Systems with External Routable Connectivity (ERC). INSM permits entities to monitor traffic within a trusted zone, such as the Electronic Security Perimeter, to detect intrusions or malicious activity. Specifically, Order No. 887 directs NERC to develop Reliability Standards requirements for any new or modified CIP Reliability Standards that address the three security issues. In Order No. 887, FERC directed NERC to submit these revisions for approval within 15 months of the final rule's effective date, i.e., July 9, 2024.

Order No. 887 also directed NERC to conduct a study on the risks of lack of INSM for medium impact BES Cyber Systems without ERC, and all low-impact BES Cyber Systems, and on the challenges and solutions for implementing INSM for those BES Cyber Systems. NERC is currently conducting the study, which is to be filed with FERC by January 18, 2024.

The Standards Committee (SC) accepted the SAR at its March 22, 2023 meeting. At that same meeting, the SC authorized soliciting members for the Standard Drafting Team (SDT). The formal comment period and the solicitation for the SDT member period ran from April 6 - May 5, 2023. The SC appointed the chair, vice chair, and members to the Project 2023-03 INSM SDT.

The SDT reviewed and considered all comments received by industry and revised the SAR where appropriate.

Due to the July 9, 2024 deadline, the SC is being asked to waive those portions of Sections 4.7, 4.9, and 4.13 as they relate to the minimum required length for comment periods and ballots, including the final ballot. Section 16.0 of the Standards Processes Manual provides:

The Standards Committee may waive any of the provisions contained in this manual for good cause shown, but limited to the following circumstances:

- In response to a national emergency declared by the United States or Canadian government that involves the reliability of the Bulk Electric System or cyber attack on the BES
- Where necessary to meet regulatory deadlines;
- Where necessary to meet deadlines imposed by the NERC Board of Trustees; or
- Where the Standards Committee determines that a modification to a proposed Reliability Standard or its Requirement(s), a modification to a defined term, a modification to an Interpretation, or a modification to a Variance has already been vetted by the industry through the standards development process or is so insubstantial that developing the modification through the processes contained in this manual will add significant time delay.

Summary

NERC staff recommends that the SC accept the revised SAR, authorize drafting revisions to the standards listed in the SAR, and issue a waiver of Sections 4.7, 4.9, and 4.13 as they relate to the minimum required length for comment periods and ballots in order to meet the regulatory deadline established by FERC.

Consistent with Chapter 7 of the SC Charter, if the schedule requires, NERC staff would seek authorization from the SC Executive Committee in a properly noticed and open session to post the Reliability Standard(s) developed through this project for the initial formal comment period and ballot. Depending on when the standard(s) is ready to post, this flexibility would allow as much time for development work and comment periods as possible before the July 2024 deadline.