

## NERC Compliance Process Bulletin #2010-002 Update to 2010 CMEP Implementation Plan

### Version 1.0

February 12, 2010 | Public Process Announcement

The purpose of this Compliance Process Bulletin is to announce updates to the 2010 CMEP Implementation Plan<sup>1</sup> and the 2010 Actively Monitored List.<sup>2</sup> As discussed below, NERC is posting concurrently, a revised 2010 Actively Monitored List and announcing changes to the 2010 CMEP Implementation Plan.<sup>3</sup> The changes reflect the implementation of Version 2 of the CIP-002 through CIP-009 Reliability Standards, the implementation of Version 2 of the NUC-001 Reliability Standard, and clean up items specifically identified in this bulletin.

### BACKGROUND

On October 1, 2009, NERC posted its 2010 CMEP Implementation Plan and 2010 Actively Monitored List. The purpose of both of these documents is to explain how the Compliance Monitoring and Enforcement Program will be implemented in 2010, including the specific monitoring methods to be used for each of the then-current standards. As spelled out in the 2010 CMEP Implementation Plan, the scope of the plan is fixed to ensure appropriate planning of resources for audits, self-certifications, spot checks, etc., but NERC and the Regional Entities have the flexibility to make changes as needed to preserve reliability of the bulk power system.

It should be noted that the scope of the 2010 program is based on reliability standards that are anticipated to be in effect in 2010. To the extent new requirements are adopted during the course of 2010, the 2010 CMEP Implementation Plan would not be adjusted, absent significant concerns about the reliability of the bulk power system. As new requirements are developed, NERC will work with the Regional Entities to determine whether the 2010 program must be amended to preserve the reliability of the bulk power system.<sup>4</sup>

<sup>1</sup> [http://www.nerc.com/files/2010\\_NERC\\_CMEP\\_Implementation\\_Plan\\_093009.pdf](http://www.nerc.com/files/2010_NERC_CMEP_Implementation_Plan_093009.pdf)

<sup>2</sup> [http://www.nerc.com/files/2010\\_Actively\\_Monitored\\_Reliability\\_Standards\\_20100212.xls](http://www.nerc.com/files/2010_Actively_Monitored_Reliability_Standards_20100212.xls)

<sup>3</sup> At this time, NERC will not be issuing a revised 2010 CMEP Implementation Plan, but any changes described in this bulletin or reflected in the revised 2010 Actively Monitored List will be deemed to supersede any contrary information in the posted 2010 CMEP Implementation Plan.

<sup>4</sup> 2010 CMEP Implementation Plan at pp. 13-14.

Moreover, while listing out the then-current versions of the standards to be actively monitored, the 2010 CMEP Implementation Plan specifically stated that “[i]t is NERC’s expectation that compliance audits for 2010 will cover these requirements for the applicable audit period.”<sup>5</sup> Therefore, the audit would encompass prior versions of the listed standards to the extent they were effective during the period since June 18, 2007, since the Registered Entity’s last compliance audit or since the effective date of the Registered Entity’s entry into the Compliance Registry, whichever is later.

On September 30, 2009, FERC issued an Order approving Version 2 of the CIP-002 through CIP-009 Reliability Standards, and establishing an effective date for those standards of April 1, 2010.<sup>6</sup> At the time, NERC and the Regional Entities did not have an opportunity to review the Order to understand its implications, particularly with respect to the audit schedule in 2010. Since then, NERC and the Regional Entities have discussed the approach to implementing Version 2 of the CIP-002 through CIP-009 Reliability Standards, and will implement that approach as outlined below.

On January 21, 2010, FERC approved NERC Reliability Standard NUC-001-2, with an effective date of April 1, 2010.<sup>7</sup> This is the same effective date of the previous version of NERC Reliability Standard NUC-001-1, which was included in the 2010 CMEP Implementation Plan and the 2010 Actively Monitored List.<sup>8</sup> As a result, NUC-001-1 will not go into effect as previously indicated, since it will be superseded by NERC Reliability Standard NUC-001-2. NERC and the Regional Entities have discussed including NUC-001-2 in the 2010 CMEP Implementation Plan and the 2010 Actively Monitored List as discussed below.

In addition to the changes required to implement Version 2 of the CIP-002 through CIP-009 Reliability Standards and to implement Version 2 of the NUC-001 Reliability Standard, NERC and the Regional Entities have identified discrepancies in the 2010 Actively Monitored List and the 2010 CMEP Implementation. Those issues will be resolved in this bulletin and in the revised 2010 Actively Monitored List that will be posted concurrently with the issuance of this bulletin.

## **VERSION 2 OF THE CIP-002 THROUGH CIP-009 RELIABILITY STANDARDS**

As noted above, FERC’s CIP Version 2 Order approved the new standards effective April 1, 2010. Upon review of that order and the revised standards, NERC and the Regional Entities have determined that the 2010 CMEP Implementation Plan should be revised to incorporate Version 2 of the CIP-002 through CIP-009 Reliability Standards. Therefore, the 2010 Actively Monitored List has been updated to incorporate these new standards and requirements effective April 1, 2010.

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<sup>5</sup> 2010 CMEP Implementation Plan at p.7.

<sup>6</sup> *North American Electric Reliability Corporation*, 128 FERC ¶ 61,291 (2009) (“CIP Version 2 Order”).

<sup>7</sup> *North American Electric Reliability Corporation*, 130 FERC ¶ 61,051 (2009) (“NUC Version 2 Order”).

<sup>8</sup> The 2010 Actively Monitored List erroneously listed the effective date of NUC-001-1 as April 1, 2009.

While the effective date establishes when the substantive standards at issue in an audit or other compliance monitoring method change from Version 1 to Version 2, it does not specify when Registered Entities would be subject to compliance monitoring. Unlike Version 2, Version 1 of the CIP-002 through CIP-009 Reliability Standards included an implementation plan that specified groups of entities (“Table 1 entities,” “Table 2 entities,” and “Table 3 entities”) and when entities in those groups needed to be “compliant” and “auditably compliant” with the CIP-002 through CIP-009 Reliability Standards, as reflected in the “Guidance for Enforcement of CIP Standards” posted on NERC’s Web site.<sup>9</sup> While the Version 1 implementation plan will be superseded with the effective date of the Version 2 CIP-002 through CIP-009 Reliability standards, NERC and the Regional Entities believe that it remains appropriate to follow the schedule outlined in the Guidance for Enforcement of CIP Standards for purposes of identifying when Table 1 entities, Table 2 entities, and Table 3 entities should be audited to specific requirements under the then-current versions of the CIP-002 through CIP-009 Reliability Standards. That is, while the April 1, 2010 effective date will establish which version of the CIP-002 through CIP-009 Reliability Standards will govern an audit or other compliance monitoring method, the schedule outlined in the “Guidance for Enforcement of CIP Standards” will continue to govern when Table 1 entities, Table 2 entities, and Table 3 entities will be subject to compliance monitoring under the then-effective CIP-002 through CIP-009 Reliability Standards.

By way of example, under “Guidance for Enforcement of CIP Standards”, Table 1 entities have until the end of June 2010 to become “auditably compliant” with CIP-004-1, Requirement 1, and Regional Entities would not typically audit a Registered Entity to that requirement until that time. With the implementation of Version 2, Regional Entities would still be expected to commence auditing Table 1 entities on July 1, 2010, but the applicable requirements governing the substance of the audit would be CIP-004-2, Requirement 1 for the period of time after April 1, 2010 and would be CIP-004-1, Requirement 1 for the portion of the audit period prior to April 1, 2010.

Note that the requirements in CIP-006-2 do not match directly the requirements of CIP-006-1. The following provides a mapping of the CIP-006-1 requirements against the analogous CIP-006-2 requirements for purposes of determining “auditably compliant” dates:

CIP-006-1	CIP-006-2
R1	R1
R1.1	R1.1
R1.2	R1.2
R1.3	R1.3

<sup>9</sup> See [http://www.nerc.com/files/Guidance\\_on\\_CIP\\_Standards.pdf](http://www.nerc.com/files/Guidance_on_CIP_Standards.pdf). It should be noted that this guidance also provided for a category of Table 4 entities that were registered after 2007. Under the Version 1 implementation plan, Table 4 entities were given 24 months to reach the compliance stage and 36 months to become auditably compliant. The same timeline applies to newly registered entities under the Version 2 implementation plan. Table 4 entities that are currently covered under the Version 1 implementation plan will continue to progress to their compliant and auditably compliant dates based on the date of their registration, and the timelines will not be extended or reset when the Version 2 standards come into effect.

CIP-006-1	CIP-006-2
R1.4	R1.4
R1.5	R1.5
R1.6	R1.6
R1.7	R1.7
R1.8	R2 / R3
R1.9	R1.8
R2	R4
R2.1	bulleted list in R4
R2.2	bulleted list in R4
R2.3	bulleted list in R4
R2.4	bulleted list in R4
R3	R5
R3.1	bulleted list in R5
R3.2	bulleted list in R5
R4	R6
R4.1	bulleted list in R6
R4.2	bulleted list in R6
R4.3	bulleted list in R6
R5	R7
R6	R8
R6.1	R8.1
R6.2	R8.2
R6.2	R8.3

Similarly, CIP-003-2 incorporates a new subrequirement, R2.4, which was not previously incorporated in CIP-003-1. Since CIP-003-2, R2.4, relates to documentation of exceptions from the requirements of a Registered Entity’s cyber security policy, which is a topic that was addressed in CIP-003-1, the “auditably compliant” dates for CIP-003-2, R2.4 will be consistent with the “auditably compliant” dates for CIP-003-1, R.3.

With respect to the biannual self-certifications required for the CIP-002 through CIP-009 Reliability Standards, the April 1, 2010 effective date of the Version 2 standards require special consideration. Typically, these biannual self-certifications would require Registered Entities to certify their compliance with the reliability standards for the six months preceding the self-certification period. However, to avoid having Registered Entities self-certify to both Version 1 and Version 2 within a single self-certification, NERC and the Regional Entities have agreed that the self-certification due in July 2010 would cover compliance with Version 1 for the period from January 1, 2010 to March 21, 2010. The self-certification due in January 2011, would cover compliance with Version 2 for the period April 1, 2010 through December 31, 2010.

## **VERSION 2 OF THE NUC-001 RELIABILITY STANDARD**

In light of the January 21, 2010 NUC Version 2 Order, NERC and the Regional Entities have concluded that it would be appropriate to include reliability standard NUC-001-2 in the 2010 Implementation Plan and the 2010 Actively Monitored List in place of reliability standard NUC-001-1. The revisions in the requirements from Version 1 to Version 2 of NUC-001 include clarifications of footnote 1 to R2, the text of R9.3.5, addition of “Nuclear GO” to applicability for R1, R5, and R7, and the VRF’s revisions (R2 and R9 changed from lower to Medium, and R4, R5, R7 and R8 changed from medium to high). The 2010 Actively Monitored List has been amended accordingly.

## **OTHER CHANGES TO THE 2010 CMEP IMPLEMENTATION PLAN AND THE 2010 ACTIVELY MONITORED LIST**

As noted above, in reviewing the posted 2010 CMEP Implementation Plan and the 2010 Actively Monitored List that were posted on October 1, 2009, NERC and the Regional Entities observed certain discrepancies that require correction. The 2010 Actively Monitored List that is being posted concurrently with this bulletin reflects these corrections. The revised 2010 Actively Monitored List and the revisions described in this bulletin should supersede any statements to the contrary in the posted 2010 CMEP Implementation Plan.

Aside from the foregoing changes to reflect the implementation of Version 2 of the CIP-002 through CIP-009 Reliability Standards, the following additional changes are being made to the 2010 Actively Monitored List and 2010 CMEP Implementation Plan;

- On the Standards Summary tab, added TOP-003 to Compliance Audits, and various totals have been updated for Compliance Audit (56 Standards); Self-Certification (60 Standards); Spot Checks (19 Standards); Periodic Submittals (13 Standards). The totals in the revised 2010 Actively Monitored List should supersede the 2010 CMEP Implementation Plan write up totals.
- On corresponding tabs, references to:
  - COM-001-1 was replaced with COM-001-1.1.
  - EOP-002-2 was replaced with EOP-002-2.1.
  - BAL-006-1 was replaced with BAL-006-1.1
  - IRO-006-4 was replaced with IRO-006-4.1
  - PER-001-0 was replaced with PER-001-0.1
  - TOP-002-2 was replaced with TOP-002-2a
- On the Requirements Detail tab:

- BA was deleted from the functions subject to EOP-005-1, R1.
  - The mark for exception reporting under EOP-006-1, R6 was deleted, and a mark for exception reporting was added under EOP-006-1, R5.
  - TOP was added to the functions subject to IRO-005-2, R12.
  - GOP was added to and GO was deleted from the functions subject to IRO-005-2, R13.
  - BA was deleted from the functions subject to TOP-001-1, R7.
  - Periodic Data Submittal “A” was removed from FAC-003-1, R2
- In the 2010 CMEP Implementation Plan, the listing of requirements that provided for periodic data submittals erroneously included PRC-004-1, R3, and the listing of requirements for exception reporting omitted EOP-002-2.1, EOP-005-1 and IRO-006-4. The designation of requirements for periodic data submittals and exception reporting in the revised 2010 Actively Monitored List should supersede the lists in the 2010 CMEP Implementation Plan.
  - As noted above, regardless of the versions of reliability standards specifically identified in the 2010 Actively Monitored List, compliance audits will encompass prior versions of the reliability standards that were in effect during the audit period.

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### Revision History

Version	Date	Reviewers	Revision Description
1.0	February 12, 2010	NERC Staff and Regional Entity Staff	Initial draft, updating an superseding NERC’s 2010 CMEP Implementation Plan: <a href="http://www.nerc.com/files/2010_NERC_CMEP_Implementation_Plan_093009.pdf">http://www.nerc.com/files/2010_NERC_CMEP_Implementation_Plan_093009.pdf</a>