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I. BACKGROUND

NERC initiated Project 2016-02 to address the directives from Order No. 822⁵ as well as issues identified during implementation of the CIP Reliability Standards approved in Order No. 791.⁶ One issue identified during implementation included how the CIP Reliability Standards address virtualization.⁷ 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.

NERC initiated Project 2019-02 to develop modifications to the CIP Reliability Standards regarding managing access and securing BES Cyber System Information. Specifically, Project 2019-02 seeks to clarify requirements in CIP-004-6 and CIP-011-2 regarding access management of BES Cyber System Information while in transit, storage, and use and to clarify protections when Responsible Entities use third-party cloud service providers for BES Cyber System Information.

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 2019-02.⁸ 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

⁵ *Revised Critical Infrastructure Protection Reliability Standards*, Order No. 822, 154 FERC ¶ 61,037, at PP 32, 73, *reh'g denied*, Order No. 822-A, 156 FERC ¶ 61,052 (2016).

⁶ *Version 5 Critical Infrastructure Protection Reliability Standards*, Order No. 791, 145 FERC ¶ 61,160 (2013), *order on clarification and reh'g*, Order No. 791-A, 146 FERC ¶ 61,188 (2014).

⁷ “Virtualization is the process of creating virtual, as opposed to physical, versions of computer hardware to minimize the amount of physical 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>).

⁸ February 20 Order, *supra*, at P 5.

updates, beginning in June 2020, until NERC files new or modified standards with the Commission.⁹ As noted above, NERC submitted the initial informational filing on March 19, 2020.

II. UPDATED PROJECT SCHEDULES

The following section provides the status of the projects, interim target dates, and the anticipated filing dates for modified Reliability Standards for Projects 2016-02 and 2019-02. NERC notes that these schedules are projections and are subject to change. For example, schedules may change based on the comments received in response to the Notice of Inquiry on Virtualization and Cloud Computing Services.¹⁰

In addition, NERC recognizes that an important component to maintaining reliability is to focus on emerging issues. NERC has therefore adjusted its activities to allow entities to focus their full efforts and energies to addressing the impacts of the coronavirus (COVID-19) outbreak. For instance, NERC requested that the Commission defer implementation of seven Reliability Standards coming into effect in the second half of 2020,¹¹ and the Commission granted the request.¹² Similarly, NERC determined to spread out its comment periods and ballots for standards development projects. As such, the schedules for Project 2016-02 and Project 2019-02 have been impacted as described below and may be impacted further throughout the remainder of 2020.

A. Project 2016-02 Modifications to CIP Standards

The Project 2016-02 standard drafting team is proposing virtualization modifications to currently enforceable Reliability Standards CIP-004-6, CIP-005-5, CIP-006-6, CIP-007-6, and

⁹ *Id.*

¹⁰ *Virtualization and Cloud Computing Services*, Notice of Inquiry, 170 FERC ¶ 61,110 (2020).

¹¹ NERC, *Motion to Defer Implementation of Reliability Standards and Request for Shortened Response Period and Expedited Action*, Docket Nos. RM15-4-000, RM16-22-000, RM17-13-000, and RD18-4-000 (Apr. 6, 2020).

¹² *Order Granting Deferred Implementation of Certain NERC Reliability Standards*, 171 FERC ¶ 61,052 (2020).

CIP-010-2, with possible conforming changes to other Reliability Standards. The standard drafting team has conducted informal comment periods on these revisions and is currently preparing for a formal comment period and ballot.

The projected interim target dates have not changed from those listed in the March Informational Filing, and NERC continues to target a December 2021 filing to the Commission. Some standard drafting team meeting dates, however, may be impacted by the delays in development in response to coronavirus impacts on industry.

B. Project 2019-02 BES Cyber System Information Access Management

The Project 2019-02 standard drafting team is proposing modifications to currently enforceable Reliability Standards CIP-004-6 and CIP-011-2 to address access management to BES Cyber System Information. The standard drafting team posted the Reliability Standards for an initial 45-day formal comment period and ballot, the result of which was that the standards did not receive enough affirmative votes. The standard drafting team is reviewing comments received and is preparing to post for an additional 45-day formal comment period and ballot.

The schedule for Project 2019-02 has been revised as follows due to impacts posed by the novel coronavirus outbreak:

- Additional 45-day formal comment period and ballot: Posted ~~May~~ **July** 2020
- Final ballot: Posted ~~August~~ **September** 2020
- NERC Board of Trustees Adoption: ~~August~~ **November** 2020

The standard drafting team now anticipates filing the proposed Reliability Standards with the Commission in December 2020 (deferred from the original target date of September 2020).

III. CONCLUSION

At the time of this filing, Project 2016-02 and Project 2019-02 remain on schedule as provided herein. If any changes occur to the projects' status, target dates, or anticipated filing dates, NERC will provide these changes in its quarterly informational filings submitted pursuant to the directive in the February 20 Order.

Respectfully submitted,

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June 19, 2020

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 19th day of June, 2020.

/s/ Marisa Hecht

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