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I. BACKGROUND

NERC initiated Project 2016-02 to address the directives from Order No. 822⁴ as well as issues identified during implementation of the CIP Reliability Standards approved in Order No. 791.⁵ One issue identified during implementation included how the CIP Reliability Standards address virtualization.⁶ 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 2019-02.⁷ 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

⁴ *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).

⁵ *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).

⁶ “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>).

⁷ February 20 Order, *supra* note 1, at P 5.

updates, beginning in June 2020, until NERC files new or modified standards with the Commission.⁸

II. 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.⁹

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 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 standard drafting team has set the following projected interim target dates:

- Initial 45-day formal comment period and ballot: Posted September 2020
- Additional 45-day formal comment period and ballot (if needed): Posted February 2021
- Additional 45-day formal comment period and ballot (if needed): Posted June 2021
- Final ballot: Posted August 2021
- NERC Board of Trustees Adoption: November 2021

⁸ *Id.*

⁹ *Virtualization and Cloud Computing Services*, Notice of Inquiry, 170 FERC ¶ 61,110 (2020).

The standard drafting team anticipates filing the proposed Reliability Standards with the Commission in December 2021.

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, which did not achieve 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 standard drafting team has set the following projected interim target dates:

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

The standard drafting team anticipates filing the proposed Reliability Standards with the Commission in 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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March 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 March, 2020.

/s/ Marisa Hecht

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