

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Reliability Standards

Standards Oversight and Technology Committee

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RELIABILITY | ACCOUNTABILITY



- Update on proposals to revise Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) criteria
- Significant minority opinions on proposed NERC Reliability Standards
- ANSI – Forward looking obligations
- Five-year assessment and Rule of Procedure 317
- Industry request to change our position on CIP Version 4
- Policy discussion on Reliability Standard Development Plan (RSDP) long-term adjustments

- VRFs
 - The goal of this effort is to standardize a method to determine VRF assignments for individual requirements
 - As a part of this effort, the team is proposing to create definitions for five VRFs, rather than the current three VRFs
 - Definitions and a tool to help assist in determining the VRF were presented to stakeholders for comment in mid-2010
 - An updated set of definitions, as well as an updated tool for use in analyzing VRFs, is being prepared for a second round of industry comment

- VSLs
 - The goal of this effort is to develop a generalized approach for creating VSLs to be used in lieu of the current approach of performing an exhaustive analysis of possible violations for inclusion in the VSLs. The team is updating the proposal for informal review and feedback prior to posting for industry comment

- How should the BOT proceed on proposed standards on which there are significant minority opinions; e.g., FAC-003-2?
- Does the Board of Trustees or Standards Oversight and Technology Committee want an early alert and more thorough technical presentation (technical conference) when a given proposed standard has significant minority opinions before it comes to the Board of Trustees for approval?

- NERC received notice that effective September 9, 2011 NERC's standard development process has been re-approved as an ANSI-accredited standard development process. The following statement was included in the approval letter:
 - NERC is expected to continue to make progress towards its stated goal of submitting documents to ANSI for consideration as proposed American National Standards (ANS)

- Options
 - Reaccredit every five years as we have been
 - Move to a continual accreditation process by submitting one or more standards to ANSI for approval

- Initiate a dialogue with Canadian stakeholders to address issues associated with submitting one or more NERC standards to ANSI for approval
 - In the past the Canadian stakeholders have objected to a review by a United States accrediting organization

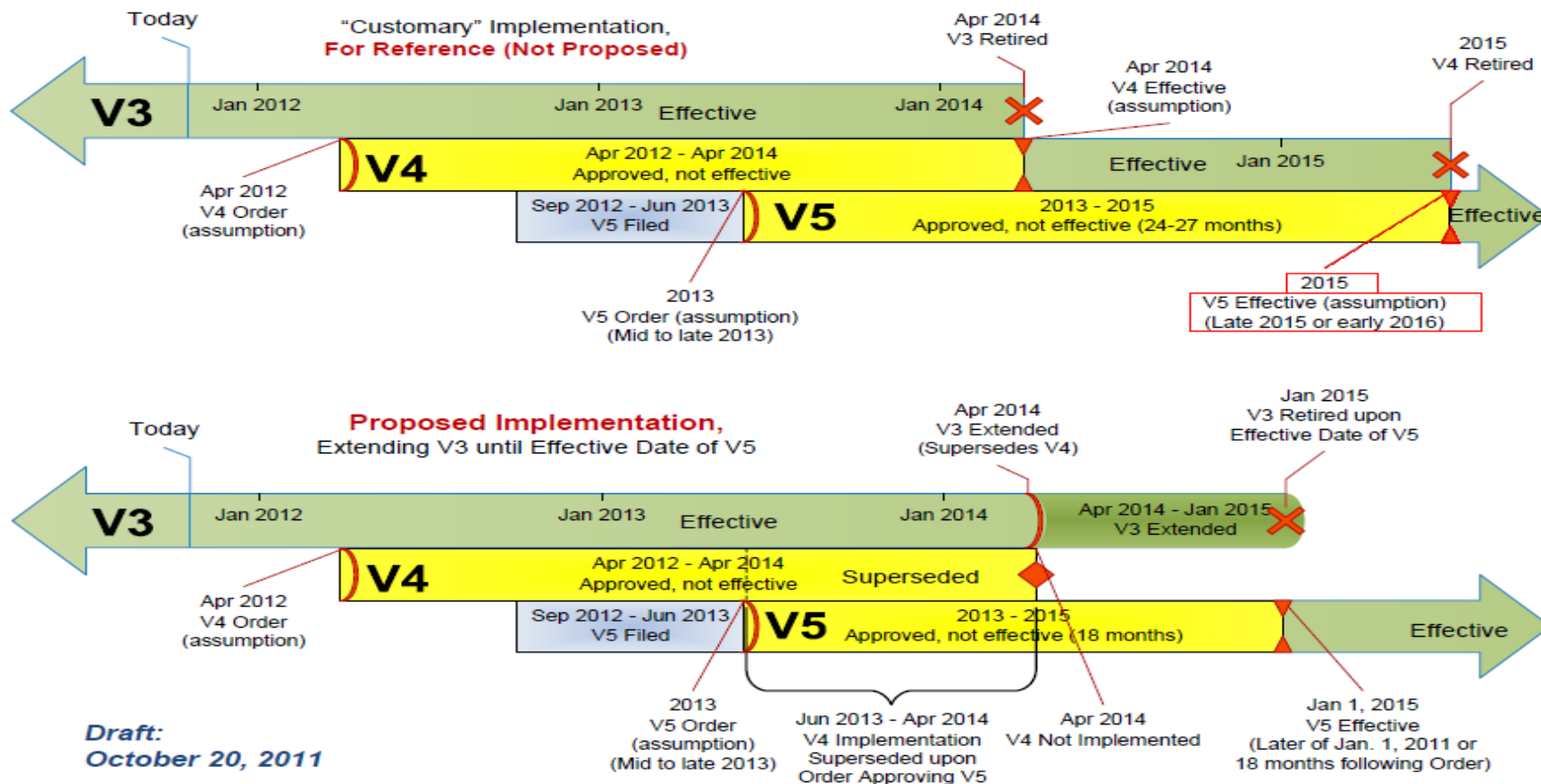
- Discuss options for exercising discretion on review of standards every five years
 - Under ROP 317, NERC is required to review each standard within five years of its effective date
 - ANSI accreditation requirement
 - Five-year review obligation is incorporated in the prioritization process

- What is the nature and extent of the “review” that NERC needs to conduct to comply with this ANSI and Rules of Procedure requirement?

- Certain stakeholder groups are advocating that NERC consider withdrawing CIP-002 Version 4 (v4) and that the industry await the development and delivery of CIP Version 5 (v5)
- The Standard Drafting Team proposed an option that would allow a registered entity to go to CIP v5 early
- Under consideration now is an option that extends v3 slightly, makes v5 effective January 1, 2015 and supersedes implementation of v4
- Given that NERC has filed CIP-002 Version 4 for approval, what are the possible courses of action?

Implementation Plan for Version 5 of CIP Cyber Security Standards

(Graphic for illustrative and comparative purposes only; dates are estimates only and based on assumptions. There is no way to know or anticipate when FERC may take action on pending matters)



- This year, the process for developing the RSDP considered areas not explicitly accounted for in the past
- The Standards Committee considered:
 - The NERC President's Top Priority Issues for Bulk Power System Reliability and used them to help prioritize work and allocate resources to work on projects related to reliability, time-sensitivity, and practicality

- The plan should include the most current changes to the long-term strategic direction of the ERO
 - Cold-weather issues related to the Texas event
 - Risk to Reliability Performance report
- To incorporate new projects, the Standards Committee may need to defer some of the projects slated for initiation in 2012 to address these strategic priority areas when they become more defined

- More specific process modifications such as:
 - Coordination during the development of the RSDP with the PC/RAPA emerging issues process
 - Beginning the planning process earlier, to ensure all aspects are considered in the planning cycle
 - Building the plan to recognize the dynamic nature of our priorities
 - And ensuring the plan can easily accommodate change
 - The plan treats such change as an expectation, rather than an exception
 - Formally integrate the emerging issues process from the Reliability Assessment and Performance Analysis activities under the Planning Committee with the standards development process