

The Reliable Wire

The Reliable Wire provides the industry with updates on recent developments at NERC, FERC, and the regions that may impact your operations and reliability compliance program.

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RECENT NERC NEWS

Launch of Align Project

On April 12, 2019, NERC announced the launch and roll-out of the Align Project, to consolidate and standardize the systems and processes used by NERC and the regions for entity registration and reporting.

- The Align Project will be rolled out in multiple phases, starting with a single registration portal by the end of June 2019.
- The systems for self-reporting, enforcement, audits, and periodic data submittals will be released starting in September 2019 through 2020.
- NERC will be training ERO Enterprise staff in early Summer 2019, with trainings for registered entities hosted by the regions to follow.

Reliability Leadership Summit

On March 14, 2019, NERC convened its Fifth Reliability Leadership Summit with 100+ industry and government stakeholders in Washington, DC, to discuss current and emerging challenges and risks to reliability and security.

- The discussions will be used to update the reliability risk profiles developed by NERC's Reliability Issues Steering Committee (RISC) and presented to the NERC Board of Trustees in May 2019, to inform NERC's three-year business plan and budget.

Standards Efficiency Review (SER) Initiative Advances

NERC's SER initiative moved forward in order to reduce inefficiencies and unnecessary burdens in the Reliability Standards. In Phase One of the SER, final ballots closed on May 2, 2019 regarding the proposed partial or complete retirement of 18 Reliability Standards. Each Standard ballot received the requisite two-thirds approval. The retirements were adopted by the NERC Board of Trustees and will be submitted to FERC for regulatory approval.

- Under Phase Two of the SER, NERC will continue to evaluate options to further streamline the Standards, including moving Requirements to guidance and consolidating Requirements. The Phase Two team sought industry comment on these approaches by March 22, 2019.



DEVELOPMENTS AT FERC

FERC CIP Audits: Lessons Learned

FERC staff released a report on March 29, 2019, Lessons Learned from Commission-Led CIP Reliability Audits, including observations and lessons learned from FERC's non-public audits of registered entities conducted in 2018. [View Report](#)

The lessons learned primarily relate to NERC CIP Standards covering High and Medium BES Cyber Systems but, in many cases, support security best practices that all registered entities can implement.

Proposed Approval of CIP-012-1

At its April 18, 2019 monthly meeting, FERC issued a Notice of Proposed Rulemaking (NOPR) proposing to approve CIP-012-1 (Cyber Security - Communications between Control Centers), which was developed in response to a FERC directive to modify the CIP Standards to require responsible entities to implement controls to protect communication links and sensitive BES data communicated between BES Control Centers.

Comments on the NOPR are due June 24, 2019.

Expansion of SERC

On April 30, 2019, FERC issued an order approving the termination of the Regional Delegation Agreement between NERC and the Florida Reliability Coordinating Council (FRCC) and the transfer of the FRCC registered entities to SERC's expanded footprint. This transition is expected to occur on July 1, 2019.



KEY REGION AND MARKET NEWS

CAISO

CAISO's Reliability Coordinator, RC West, continues its readiness and certification activities with WECC in advance of its scheduled "go live" date of July 1, 2019 for its California footprint.

Texas RE

Texas RE hosted its Spring Standards and Compliance Workshop on April 25, 2019. [View Presentations](#)

WECC

WECC hosted its Spring 2019 Reliability and Security Workshop on April 9-10, 2019. [View GridSME takeaways](#)

On March 29, 2019, FERC approved the retirement of Regional Standard PRC-004-WECC-2 (Protection System and Remedial Action Scheme Misoperation), effective January 1, 2021.



STANDARDS IN MOTION

CIP-008-6 Pending FERC Approval

On March 7, 2019, NERC filed with FERC its petition seeking approval of proposed CIP-008-6 (Cyber Security - Incident Reporting and Response Planning) to satisfy FERC's directive. The revised Standard expands the scope of mandatory reporting of Cyber Security Incidents to include attempts to compromise applicable systems; and adds a Requirement R4 for reporting and notification timelines for Reportable Cyber Security Incidents and applicable attempts. Comments were due April 11, 2019. FERC will review all comments submitted prior to releasing an issuance proposing a rulemaking.

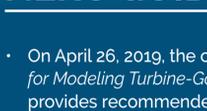
Comment and Initial Ballot on PRC-024-3

On April 17, 2019, NERC announced a 45-day formal comment period and initial ballot closing on May 31, 2019 for PRC-024-3 (Generator Frequency and Voltage Protection Settings). Proposed revisions to PRC-024-2 reflect the performance of inverter-based resources that had been initially identified by the Inverter-Based Resource Performance Task Force (IRPTF).

The proposed changes include: an expanded Applicability section to explicitly list in-scope Facilities and equipment; expansion of Applicability to Transmission Owners that own in-scope Facilities; and modifications to Requirements R1 and R2 to specify that a generating resource may neither trip nor enter momentary cessation inside the "No Trip Zone."

CIP-003-8 Approved by Industry

On April 29, 2019, the final ballot for CIP-003-8 (Cyber Security - Security Management Controls) concluded with 91% approval. The substantive revisions in CIP-003-8 address additions to the Transient Cyber Asset and Removable Media malicious code risk mitigation plan requirements in Attachment 1. The Standard was adopted by the NERC Board of Trustees and will be submitted to FERC for regulatory approval.



NERC GUIDANCE

- On April 26, 2019, the comment period closed on NERC's draft *Reliability Guideline, Application Guide for Modeling Turbine-Governor and Active Power-Frequency Controls in Stability Studies*. This Guideline provides recommended practices to address model fidelity issues for improving the accuracy of interconnection-wide simulations. [View Guideline](#)
- On April 19, 2019, NERC released a new *ERO Enterprise CMEP Practice Guide: Implementation of "Annual" and "Calendar Months" in the Reliability Standards*, to provide clarity for CMEP Staff to assess registered entity compliance for Requirements with maximum intervals to perform a particular compliance activity. [View Practice Guide](#)

UPCOMING EVENTS

June & July

June 18-19, 2019

2019 Power System Modeling Conference
(Novi, MI)

July 23-24, 2019

NERC Industry Standards & Compliance Workshop
(Minneapolis, MN)

July 31, 2019

WECC CIP-003-7 Information Session
(Salt Lake City, UT & Webinar)

August & September

August 14-15, 2019

ReliabilityFirst Human Performance Workshop
(Cleveland, OH)

August 20-22, 2019

WECC Grid Fundamentals
(Salt Lake City, UT)

September 17-18, 2019

SERC CIP Compliance Seminar
(Charlotte, NC & WebEx)



CYBERSECURITY AWARENESS MOMENT

The Value of Management Oversight

A January 2019 NERC Notice of Penalty (Notice) and \$10M Settlement Agreement described in detail a series of actions by a large registered entity resulting in findings of 127 violations of numerous NERC CIP Standards over multiple years. The Notice identified a serious risk to security and reliability presented by the collective nature of the violations, and specifically pointed to the systematic failure of management oversight as the primary root cause.

The Notice revealed some key takeaways to support a sustainable NERC CIP compliance program:

- Regardless of your size, a strong culture of compliance with senior leadership involvement and oversight is critical. Your management needs to actively demonstrate a top-down commitment to NERC compliance and show engagement on these matters on an ongoing basis.
- Your NERC CIP program at its foundation should be enterprise-wide, as a centralized NERC CIP compliance team can have a wide-area view over the organization to hold individual business units accountable.
- Communicating across your organization is also critical, breaking down those "silos" that may spring up so that the right business units are coordinating their efforts to perform key compliance tasks on time. It is nearly impossible to divorce security from compliance and still maintain a meaningful compliance program.

UPCOMING EFFECTIVE DATES

Reliability Standard	Title	Effective Date
PER-003-2	Operating Personnel Credentials	July 1, 2019
TPL-007-3 (R1 & R2)	Transmission System Planned Performance for Geomagnetic Disturbance Events	July 1, 2019
CIP-003-7	Cyber Security - Security Management Controls	January 1, 2020
PRC-026-1 (R2-R4)	Relay Performance During Stable Power Swings	January 1, 2020
CIP-005-6	Cyber Security - Electronic Security Perimeter(s)	July 1, 2020
CIP-013-1	Cyber Security - Supply Chain Risk Management	July 1, 2020

ABOUT GRIDSME

GridSME is a results-focused consulting firm, representing a diverse group of talented electric industry experts ready to help guide our clients through the fast-changing landscape of the industry.

Our clients make up a very diverse group, ranging from small renewable companies to large regional utilities and everything in-between—our subject matter experts (SME) provide pragmatic solutions on a wide range of operational, technical, and business challenges, leveraging industry best-practice knowledge gleaned over the many decades of collective experience amassed by our team. While GridSME's core competencies lie in NERC compliance, cybersecurity, and electrical engineering, we provide a number of additional grid support services to our clients, such as electricity market expertise, operations training, and IT services.



Please let us know if you want more information on anything contained in this issue and we appreciate your feedback on The Reliable Wire.

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