

# Violation Risk Factor and Violation Severity Level Justifications

## Project 2023-06 CIP-014 Risk Assessment Refinement (CIP-014-4)

This document provides the standard drafting team's (SDT's) justification for assignment of violation risk factors (VRFs) and violation severity levels (VSLs) for each requirement in CIP-014-4. Each requirement is assigned a VRF and a VSL. These elements support the determination of an initial value range for the Base Penalty Amount regarding violations of requirements in FERC-approved Reliability Standards, as defined in the Electric Reliability Organizations (ERO) Sanction Guidelines. The SDT applied the following NERC criteria and FERC Guidelines when developing the VRFs and VSLs for the requirements.

### NERC Criteria for Violation Risk Factors

#### High Risk Requirement

A requirement that, if violated, could directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

#### Medium Risk Requirement

A requirement that, if violated, could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System. However, violation of a medium risk requirement is unlikely to lead to Bulk Electric System instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System. However, violation of a medium risk requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to Bulk Electric System instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

## **Lower Risk Requirement**

A requirement that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System; or, a requirement that is administrative in nature and a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System.

## **FERC Guidelines for Violation Risk Factors**

### **Guideline (1) – Consistency with the Conclusions of the Final Blackout Report**

FERC seeks to ensure that VRFs assigned to Requirements of Reliability Standards in these identified areas appropriately reflect their historical critical impact on the reliability of the Bulk-Power System. In the VSL Order, FERC listed critical areas (from the Final Blackout Report) where violations could severely affect the reliability of the Bulk-Power System:

- Emergency operations
- Vegetation management
- Operator personnel training
- Protection systems and their coordination
- Operating tools and backup facilities
- Reactive power and voltage control
- System modeling and data exchange
- Communication protocol and facilities
- Requirements to determine equipment ratings
- Synchronized data recorders
- Clearer criteria for operationally critical facilities
- Appropriate use of transmission loading relief.

**Guideline (2) – Consistency within a Reliability Standard**

FERC expects a rational connection between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

**Guideline (3) – Consistency among Reliability Standards**

FERC expects the assignment of VRFs corresponding to Requirements that address similar reliability goals in different Reliability Standards would be treated comparably.

**Guideline (4) – Consistency with NERC’s Definition of the Violation Risk Factor Level**

Guideline (4) was developed to evaluate whether the assignment of a particular VRF level conforms to NERC’s definition of that risk level.

**Guideline (5) – Treatment of Requirements that Co-mingle More Than One Obligation**

Where a single Requirement co-mingles a higher risk reliability objective and a lesser risk reliability objective, the VRF assignment for such Requirements must not be watered down to reflect the lower risk level associated with the less important objective of the Reliability Standard.

## NERC Criteria for Violation Severity Levels

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs.

VSLs should be based on NERC’s overarching criteria shown in the table below:

Lower VSL	Moderate VSL	High VSL	Severe VSL
The performance or product measured almost meets the full intent of the requirement.	The performance or product measured meets the majority of the intent of the requirement.	The performance or product measured does not meet the majority of the intent of the requirement, but does meet some of the intent.	The performance or product measured does not substantively meet the intent of the requirement.

## FERC Order of Violation Severity Levels

The FERC VSL guidelines are presented below, followed by an analysis of whether the VSLs proposed for each requirement in the standard meet the FERC Guidelines for assessing VSLs:

### Guideline (1) – Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance

Compare the VSLs to any prior levels of non-compliance and avoid significant changes that may encourage a lower level of compliance than was required when levels of non-compliance were used.

### Guideline (2) – Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties

A violation of a “binary” type requirement must be a “Severe” VSL.

Do not use ambiguous terms such as “minor” and “significant” to describe noncompliant performance.

### Guideline (3) – Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement

VSLs should not expand on what is required in the requirement.

**Guideline (4) – Violation Severity Level Assignment Should Be Based on a Single Violation, Not on a Cumulative Number of Violations**

Unless otherwise stated in the requirement, each instance of non-compliance with a requirement is a separate violation. Section 4 of the Sanction Guidelines states that assessing penalties on a per violation per day basis is the “default” for penalty calculations.

**VRF Justification for CIP-014-4, Requirement R1**

The VRF did not change from the previously FERC approved CIP-014-3 Reliability Standard.

VSLs for CIP-014-4, Requirement R1			
Lower	Moderate	High	Severe
<p>The Transmission Owner <del>documented identified</del> a list of applicable Transmission station(s) or Transmission substation(s) per Attachment 1, but did so after 36 calendar months, but less than or equal to 38 calendar months.</p> <p>OR</p> <p>The Transmission Owner <del>documented identified</del> a list of applicable <u>Transmission station(s) or Transmission substation(s)</u> substations, but failed to identify less than or equal to 10% of the applicable Transmission station(s) or Transmission substation(s) per Attachment 1.</p>	<p>The Transmission Owner <del>documented identified</del> a list of applicable Transmission station(s) or Transmission substation(s) per Attachment 1, but did so after 38 calendar months, but less than or equal to 40 calendar months.</p> <p>OR</p> <p>The Transmission Owner <del>documented identified</del> a list of applicable <u>Transmission station(s) or Transmission substation(s)</u> substations, but failed to identify more than 10% and less than or equal to 20% of the applicable Transmission station(s) or Transmission substation(s) per Attachment 1.</p>	<p>The Transmission Owner <del>documented identified</del> a list of applicable Transmission station(s) or Transmission substation(s) per Attachment 1, but did so after 40 calendar months, but less than or equal to 42 calendar months.</p> <p>OR</p> <p>The Transmission Owner <del>documented identified</del> a list of applicable <u>Transmission station(s) or Transmission substation(s)</u> substations, but failed to identify more than 20% and less than or equal to 30% of the applicable Transmission station(s) or Transmission substation(s) per Attachment 1.</p>	<p>The Transmission Owner failed to <del>document identify</del> a list of applicable Transmission station(s) or Transmission substation(s) per Attachment 1.</p> <p>OR</p> <p>The Transmission Owner <del>documented identified</del> a list of applicable Transmission station(s) or Transmission substation(s) per Attachment 1, but did so after more than 42 calendar months.</p> <p>OR</p> <p>The Transmission Owner identified a list of applicable <u>Transmission station(s) or Transmission substation(s)</u> substations, but failed to identify more than 30%</p>

		<p><del>The Transmission Owner had insufficient documented criteria for determining when Transmission station(s) or Transmission substation(s) were in proximity for those identified in Requirement R1.</del></p> <p>OR</p> <p><del>The Transmission Owner failed to use the documented criteria to identify all Transmission station(s) or Transmission substation(s) in proximity.</del></p>	<p>of the applicable Transmission station(s) or Transmission substation(s) per Attachment 1.</p> <p><del>The Transmission Owner did not have documented criteria to determine when Transmission station(s) or Transmission substation(s) were in proximity for those identified in Requirement R1.</del></p> <p>OR</p> <p><del>The Transmission Owner failed to use the documented criteria to identify which Transmission station(s) or Transmission substation(s) in proximity.</del></p>
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### VSL Justifications for CIP-014-4, Requirement R1

<p><b>FERC VSL G1</b></p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The requirement is a part of CIP-014-3 Requirement R1. Therefore, the proposed VSLs do not have the unintended consequence of lowering the level of compliance.</p>
<p><b>FERC VSL G2</b></p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p>Guideline 2a: The Single Violation</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>

### VSL Justifications for CIP-014-4, Requirement R1

Severity Level Assignment Category for "Binary" Requirements Is Not Consistent  <u>Guideline 2b</u> : Violation Severity Level Assignments that Contain Ambiguous Language	
<b>FERC VSL G3</b>  Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement	The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.
<b>FERC VSL G4</b>  Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations	Each VSL is based on a single violation and not cumulative violations.

### VRF Justifications for CIP-014-4, Requirement R2

Proposed VRF	<del>Lower</del> <u>Medium</u>
NERC VRF Discussion	This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, <u>this Requirement is less severe than Requirement R1</u> , it does not serve as High VRF since new Requirement R1 remains as High VRF.
<b>FERC VRF G1 Discussion</b>  Guideline 1- Consistency with Blackout Report	This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.
<b>FERC VRF G2 Discussion</b>  Guideline 2- Consistency within a	The VRF for Requirement R2 is consistent with those connections between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

### VRF Justifications for CIP-014-4, Requirement R2

Proposed VRF	<del>Lower</del> Medium
Reliability Standard	
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO's Sanctions Guidelines.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation	This requirement does not mingle a higher risk reliability objective and a lesser risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

### VSLs for CIP-014-4, Requirement R2

Lower	Moderate	High	Severe
		<p><del>The Transmission Owner had insufficient documented criteria for determining when Transmission station(s) or Transmission substation(s) were in proximity for those identified in Requirement R1.</del></p> <p><del>OR</del></p> <p><del>The Transmission Owner failed to use the documented criteria</del></p>	<p>The Transmission Owner did not have documented criteria to determine when Transmission station(s) or Transmission substation(s) were in proximity for those identified in Requirement R1.</p> <p>OR</p> <p>The Transmission Owner failed to use the documented criteria to</p>



		<del>to identify all Transmission station(s) or Transmission substation(s) in proximity.</del>	identify which Transmission station(s) or Transmission substation(s) <u>are</u> in proximity <u>to each other</u> .
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VSL Justifications for CIP-014-4, Requirement R2	
<p><b>FERC VSL G1</b></p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, it does not serve as High VSL since new Requirement R1 remains as High VSL.</p>
<p><b>FERC VSL G2</b></p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b></p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b></p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

### VSL Justifications for CIP-014-4, Requirement R2

Violation Severity Level Assignment  
Should Be Based on A Single  
Violation, Not on A Cumulative  
Number of Violations

### VRF Justifications for CIP-014-4, Requirement R3

Proposed VRF	<del>Lower</del> High
NERC VRF Discussion	This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, <del>it does not serve</del> the drafting team believes that it should remain as High VRF since new Requirement R1 remains as High VRF.
<b>FERC VRF G1 Discussion</b> Guideline 1- Consistency with Blackout Report	This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.
<b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard	The VRF for Requirement R3 is consistent with those connections between the sub-Requirement VRF assignments and the main Requirement VRF assignment.
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO's Sanctions Guidelines.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More	This requirement does <del>not</del> mingle a higher risk reliability objective and a <del>lesser</del> risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

**VRF Justifications for CIP-014-4, Requirement R3**

Proposed VRF	<u>Lower</u> <u>High</u>
than One Obligation	

**VSLs for CIP-014-4, Requirement R3**

Lower	Moderate	High	Severe
The Transmission Owner has a risk assessment methodology that failed to include one of the requirements listed in <u>Requirement R3</u> , Parts 3.1 through 3.46.	The Transmission Owner has a risk assessment methodology that failed to include two of the requirements listed in <u>Requirement R3</u> , Parts 3.1 through 3.46.	The Transmission Owner has a risk assessment methodology that failed to include three or more of the requirements listed in <u>Requirement R3</u> , Parts 3.1 through 3.46.	<u>The Transmission Owner has a risk assessment methodology that failed to include four of the requirements listed in Parts 3.1 through 3.4.</u> <u>OR</u> The Transmission Owner does not have a risk assessment methodology.

**VSL Justifications for CIP-014-4, Requirement R3**

<b>FERC VSL G1</b> Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, it does not serve as High VSL since new Requirement R1 remains as High VSL.
<b>FERC VSL G2</b> Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of	The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.

### VSL Justifications for CIP-014-4, Requirement R3

<p>Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	
<p><b>FERC VSL G3</b></p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b></p> <p>Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

### VRF Justifications for CIP-014-4, Requirement R4

<p>Proposed VRF</p>	<p><del>Lower</del><u>Medium</u></p>
<p>NERC VRF Discussion</p>	<p>This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, it does not serve as High VRF since new Requirement R1 remains as High VRF.</p>
<p><b>FERC VRF G1 Discussion</b></p> <p>Guideline 1- Consistency with Blackout Report</p>	<p>This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.</p>

**VRF Justifications for CIP-014-4, Requirement R4**

Proposed VRF	<del>Lower</del> <u>Medium</u>
<b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard	The VRF for Requirement R4 is consistent with those connections between the sub-Requirement VRF assignments and the main Requirement VRF assignment.
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO’s Sanctions Guidelines.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation	This requirement does not mingle a higher risk reliability objective and a lesser risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

**VSLs for CIP-014-4, Requirement R4**

Lower	Moderate	High	Severe
The Transmission Owner <del>failed to coordinate less than or equal to 25% of jointly owned applicable Transmission station(s) and Transmission substation(s) with other owner(s). performed a risk assessment, but did so after 36</del>	The Transmission Owner <del>failed to coordinate more than 25% and less than or equal to 50% of jointly owned applicable Transmission station(s) and Transmission substation(s) with other owner(s). performed a risk assessment, but did so after 38</del>	The Transmission Owner <del>failed to coordinate more than 50% and less than or equal to 75% of jointly owned applicable Transmission station(s) and Transmission substation(s) with other owner(s). performed a risk assessment inconsistent with</del>	The Transmission Owner <del>failed to coordinate more than 75% and less than or equal to 100% any evidence of jointly owned applicable Transmission station(s) and Transmission substation(s) with other owner(s). performed a risk assessment, but did so after</del>

<p><del>calendar months, but less than or equal to 38 calendar months.</del></p> <p><del>OR</del></p> <p><del>The Transmission Owner performed a risk assessment inconsistent with one of the methodology requirements listed in Requirement R3, Parts 3.1 through 3.6</del></p>	<p><del>calendar months, but less than or equal to 40 calendar months.</del></p> <p><del>OR</del></p> <p><del>The Transmission Owner performed a risk assessment inconsistent with two of the methodology requirements listed in Requirement R3, Parts 3.1 through 3.6.</del></p> <p><del>OR</del></p> <p><del>The Transmission Owner performed a risk assessment that was insufficient with respect to Requirement R4, Part 4.2.</del></p>	<p><del>three or more of the methodology requirements listed in Requirement R3, Parts 3.1 through 3.6.</del></p> <p><del>OR</del></p> <p><del>The Transmission Owner performed a risk assessment, but failed to include the primary control center identified in Requirement R4, Part 4.3.</del></p>	<p><del>more than 42 calendar months.</del></p>
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### VSL Justifications for CIP-014-4, Requirement R4

<p><b>FERC VSL G1</b></p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, it does not serve as High VSL since new Requirement R1 remains as High VSL.</p>
<p><b>FERC VSL G2</b></p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p><u>Guideline 2a: The Single Violation</u></p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>

### VSL Justifications for CIP-014-4, Requirement R4

Severity Level Assignment Category for "Binary" Requirements Is Not Consistent  <u>Guideline 2b</u> : Violation Severity Level Assignments that Contain Ambiguous Language	
<b>FERC VSL G3</b>  Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement	The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.
<b>FERC VSL G4</b>  Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations	Each VSL is based on a single violation and not cumulative violations.

### VRF Justifications for CIP-014-4, Requirement R5

Proposed VRF	<del>Lower</del> High
NERC VRF Discussion	This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, <del>it does not serve</del> the drafting team believe that Requirement should remain as High VRF <del>since new</del> as the existing Requirement R1 <del>remains</del> as High VRF.
<b>FERC VRF G1 Discussion</b>  Guideline 1- Consistency with Blackout Report	This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.
<b>FERC VRF G2 Discussion</b>  Guideline 2- Consistency within a	The VRF for Requirement R5 is consistent with those connections between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

**VRF Justifications for CIP-014-4, Requirement R5**

<b>Proposed VRF</b>	<del>Lower</del> <u>High</u>
Reliability Standard	
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO’s Sanctions Guidelines.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation	This requirement does <del>not</del> mingle a higher risk reliability objective and a <del>lesser</del> risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

**VSLs for CIP-014-4, Requirement R5**

Lower	Moderate	High	Severe
The Transmission Owner performed a risk assessment, but did so after 36 calendar months, but less than or equal to 38 calendar months.  OR The Transmission Owner performed a risk assessment inconsistent with one of the methodology requirements	The Transmission Owner performed a risk assessment, but did so after 38 calendar months, but less than or equal to 40 calendar months.  OR The Transmission Owner performed a risk assessment inconsistent with two of the methodology requirements	The Transmission owner performed a risk assessment, but did so after 40 calendar months, but less than or equal to 42 calendar months.  OR The Transmission Owner performed a risk assessment inconsistent with three or more of the methodology	The Transmission Owner performed a risk assessment, but did so after more than 42 calendar months.  <u>OR</u> <u>The Transmission Owner performed a risk assessment inconsistent with four of the methodology requirements listed in Requirement R3, Parts</u>



<p>listed in Requirement R3, Parts 3.1 through 3.4.6</p>	<p>listed in Requirement R3, Parts 3.1 through 3.4.6.</p> <p><del>OR</del></p> <p><del>The Transmission Owner performed a risk assessment that was insufficient with respect to Requirement R4, Part 4.2.</del></p>	<p>requirements listed in Requirement R3, Parts 3.1 through 3.4.6.</p> <p>OR</p> <p>The Transmission Owner performed a risk assessment, but failed to include the primary control center identified in Requirement R4, Part 4.35.2.</p>	<p><u>3.1 through 3.4.</u></p>
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**VSL Justifications for CIP-014-4, Requirement R5**

<p><b>FERC VSL G1</b></p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This Requirement is a part of CIP-014-3 Requirement R1. After breaking down to five (5) different Requirements, it does not serve as High VSL since new Requirement R1 remains as High VSL.</p>
<p><b>FERC VSL G2</b></p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>

**VSL Justifications for CIP-014-4, Requirement R5**

<p><b>FERC VSL G3</b> Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b> Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justifications for CIP-014-4, Requirement R6**

<b>Proposed VRF</b>	<b>Lower</b>
<p><del>NERC VRF Discussion</del></p>	<p><del>This Requirement is Requirement R2 in CIP-014-3. The drafting team believes the VRF should be the same as Requirement R1 in CIP-014-3.</del></p>
<p><del><b>FERC VRF G1 Discussion</b> Guideline 1 – Consistency with Blackout Report</del></p>	<p><del>This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.</del></p>
<p><del><b>FERC VRF G2 Discussion</b> Guideline 2 – Consistency within a Reliability Standard</del></p>	<p><del>The VRF for Requirement R6 is consistent with those connections between the sub-Requirement VRF assignments and the main Requirement VRF assignment.</del></p>
<p><del><b>FERC VRF G3 Discussion</b> Guideline 3 – Consistency among Reliability Standards</del></p>	<p><del>This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.</del></p>
<p><del><b>FERC VRF G4 Discussion</b></del></p>	<p><del>This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO’s Sanctions Guidelines.</del></p>

<b>VRF Justifications for CIP-014-4, Requirement R6</b>	
<b>Proposed VRF</b>	<b>Lower</b>
Guideline 4 – Consistency with NERC Definitions of VRFs	
<b>FERC VRF G5 Discussion</b> Guideline 5 – Treatment of Requirements that Co-mingle More than One Obligation	This requirement does not mingle a higher risk reliability objective and a lesser risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

**VRF Justification for CIP-014-4, Requirement R6**

The VRF did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VSL Justification for CIP-014-4, Requirement R6**

The Requirement is the same as Requirement R2 in CIP-014-3. The VSL did not change from the previously FERC approved CIP-014-3 Reliability Standard.

<b>VRF Justifications for CIP-014-4, Requirement R7</b>	
<b>Proposed VRF</b>	<b>Lower</b>
NERC VRF Discussion	This Requirement is Requirement R3 in CIP-014-3. The drafting team believes the VRF should be higher, from Low to Medium.
<b>FERC VRF G1 Discussion</b> Guideline 1 – Consistency with Blackout Report	This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.
<b>FERC VRF G2 Discussion</b> Guideline 2 – Consistency within a Reliability Standard	The VRF for Requirement R7 is consistent with those connections between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

**VRF Justifications for CIP-014-4, Requirement R7**

<b>Proposed VRF</b>	<b>Lower</b>
<b>FERC VRF G3 Discussion</b> Guideline 3 – Consistency among Reliability Standards	This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.
<b>FERC VRF G4 Discussion</b> Guideline 4 – Consistency with NERC Definitions of VRFs	This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO’s Sanctions Guidelines.
<b>FERC VRF G5 Discussion</b> Guideline 5 – Treatment of Requirements that Co-mingle More than One Obligation	This requirement does not mingle a higher risk reliability objective and a lesser risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

**VRF Justification for CIP-014-4, Requirement R7**

The VRF did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VSL Justification for CIP-014-4, Requirement R7**

The Requirement is the same as Requirement R3 in CIP-014-3. The VSL did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VRF Justification for CIP-014-4, Requirement R8**

The Requirement is the same as Requirement R4 in CIP-014-3. The VRF did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VSL Justification for CIP-014-4, Requirement R8**

The Requirement is the same as Requirement R4 in CIP-014-3. The VSL did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VRF Justification for CIP-014-4, Requirement R9**

The Requirement is the same as Requirement R5 in CIP-014-3. The VRF did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VSL Justification for CIP-014-4, Requirement R9**

The Requirement is the same as Requirement R5 in CIP-014-3. The VSL did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VRF Justification for CIP-014-4, Requirement R10**

The Requirement is the same as Requirement R6 in CIP-014-3. The VRF did not change from the previously FERC approved CIP-014-3 Reliability Standard.

**VSL Justification for CIP-014-4, Requirement R10**

The Requirement is the same as Requirement R6 in CIP-014-3. The VSL did not change from the previously FERC approved CIP-014-3 Reliability Standard.