

Standard Authorization Request (SAR)

Complete and please email this form, with attachment(s) to: sarcomm@nerc.net

The North American Electric Reliability Corporation (NERC) welcomes suggestions to improve the reliability of the bulk power system through improved Reliability Standards.

Requested information			
SAR Title:	Revisions to Cyber Security – Supply Chain Controls Standard		
Date Submitted:	June 26, 2019		
SAR Requester			
Name:	Soo Jin, Manager of Standards Development		
Organization:	NERC		
Telephone:	404.831.4765	Email:	Soo.jin.kim@nerc.net
SAR Type (Check as many as apply)			
<input type="checkbox"/>	New Standard	<input type="checkbox"/>	Imminent Action/ Confidential Issue (SPM Section 10)
<input checked="" type="checkbox"/>	Revision to Existing Standard	<input type="checkbox"/>	Variance development or revision
<input type="checkbox"/>	Add, Modify or Retire a Glossary Term	<input type="checkbox"/>	Other (Please specify)
<input type="checkbox"/>	Withdraw/retire an Existing Standard		
Justification for this proposed standard development project (Check all that apply to help NERC prioritize development)			
<input checked="" type="checkbox"/>	Regulatory Initiation	<input type="checkbox"/>	NERC Standing Committee Identified
<input type="checkbox"/>	Emerging Risk (Reliability Issues Steering Committee) Identified	<input type="checkbox"/>	Enhanced Periodic Review Initiated
<input type="checkbox"/>	Reliability Standard Development Plan	<input type="checkbox"/>	Industry Stakeholder Identified
Industry Need (What Bulk Electric System (BES) reliability benefit does the proposed project provide?):			
<p>On October 18, 2018, the Federal Energy Regulatory Commission (FERC) issued Order No. 850 <u>approving the Supply Chain Standards, CIP-005-6, CIP-010-3 and CIP-013-1. In this order FERC also directeding</u> NERC to develop modifications to the Supply Chain Standards. In addition, NERC published a <u>Cyber Security Supply Chain</u> Risks report <u>on May 17, 2019 and with</u> recommendations for additional modifications to the Supply Chain Standards.</p>			
Purpose or Goal (How does this proposed project provide the reliability-related benefit described above?):			
<p>This project will address the directives issued by FERC in Order No. 850 to modify the Supply Chain Standards. FERC directed NERC to submit modifications to address EACMSs, specifically those systems that provide electronic access control to high and medium impact BES Cyber Systems. FERC directed NERC to submit the modified Reliability Standard including the directed revisions for approval within 24 months from the effective date of Order No. 850.</p> <p><u>The drafting team will also consider the recommendations from NERC staff's Cyber Security Supply Chain Risks report published on May 17, 2019. In addition, NERC also recommends revising the Supply</u></p>			

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Chain Standards to address Physical Access Control Systems (PACS) that provide physical access control (excluding alarming and logging) to high and medium impact BES Cyber Systems. The modifications to address PACS do not have a regulatory deadline, but will be addressed by this project.
Project Scope (Define the parameters of the proposed project):
This project will address the directives issued by FERC in Order No. 850. This project will also <u>address consider</u> NERC staff recommendation from the Supply Chain Report. <u>This team will work to coordinate with other ongoing CIP development projects Project 2016-02 to ensure alignment with any changes to definition or standards and requirements, to address Physical Access Control Systems (PACS) that provide physical access control (excluding alarming and logging) to high and medium impact BES Cyber Systems.</u>
Detailed Description (Describe the proposed deliverable(s) with sufficient detail for a drafting team to execute the project. If you propose a new or substantially revised Reliability Standard or definition, provide: (1) a technical justification ¹ which includes a discussion of the reliability-related benefits of developing a new or revised Reliability Standard or definition, and (2) a technical foundation document (e.g. research paper) to guide development of the Standard or definition):
Consider recommendations to R revise the Supply Chain Reliability Standards to include: (i) EACMSs, <u>specifically those systems that provide electronic access control (excluding monitoring and logging) to high and medium impact BES Cyber Systems; and (ii) consideration of the recommendations recommendations in the Supply Chain Risks Report; and PACSs that provide physical access control (excluding alarming and logging) to high and medium impact BES Cyber Systems (iii) - coordination with the Project 2016-02 team specifically around the proposed definition changes such as around EACMS, BES Cyber Asset, Virtual Cyber Asset, etc.- These proposed definitions could have direct impacts to the Supply Chain Reliability Standards through possible scope expansion expansion.</u>
<u>FERC directed NERC to submit modifications to address EACMSs, specifically those systems that provide electronic access control to high and medium impact BES Cyber Systems. FERC directed NERC to submit the modified Reliability Standard including the directed revisions for approval within 24 months from the effective date of Order No. 850.</u>
Cost Impact Assessment, if known (Provide a paragraph describing the potential cost impacts associated with the proposed project):
Cost impact is unknown at this time. However, a question will be asked during the SAR comment period to ensure all aspects are considered.
Please describe any unique characteristics of the BES facilities that may be impacted by this proposed standard development project (e.g. Dispersed Generation Resources):
Submitter asserts there are no unique characteristics associated with BES facilities that will be impacted by this proposed standard development project.
To assist the NERC Standards Committee in appointing a drafting team with the appropriate members, please indicate to which Functional Entities the proposed standard(s) should apply (e.g. Transmission

¹ The NERC Rules of Procedure require a technical justification for new or substantially revised Reliability Standards. Please attach pertinent information to this form before submittal to NERC.

Requested information
Operator, Reliability Coordinator, etc. See the most recent version of the NERC Functional Model for definitions):
Reliability Coordinator, Balancing Authority, Transmission Owner, Transmission Operator, Distribution Provider, Generator Owner, Generator Operator
Do you know of any consensus building activities ² in connection with this SAR? If so, please provide any recommendations or findings resulting from the consensus building activity.
No
Are there any related standards or SARs that should be assessed for impact as a result of this proposed project? If so which standard(s) or project number(s)?
Project 2016-02 Modifications to CIP Standards for changes to definitions definitions, standards or requirements . Project 2019-02 BES Cyber Systems Information Access Management for changes to definitions .
Are there alternatives (e.g. guidelines, white paper, alerts, etc.) that have been considered or could meet the objectives? If so, please list the alternatives.
None at this time

Reliability Principles	
Does this proposed standard development project support at least one of the following Reliability Principles (Reliability Interface Principles)? Please check all those that apply.	
<input type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.
<input checked="" type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input checked="" type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.

² Consensus building activities are occasionally conducted by NERC and/or project review teams. They typically are conducted to obtain industry inputs prior to proposing any standard development project to revise, or develop a standard or definition.

Market Interface Principles	
Does the proposed standard development project comply with all of the following Market Interface Principles ?	Enter (yes/no)
1. A reliability standard shall not give any market participant an unfair competitive advantage.	Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure.	Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard.	Yes
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards.	Yes

Identified Existing or Potential Regional or Interconnection Variances	
Region(s)/ Interconnection	Explanation
	None identified

For Use by NERC Only

SAR Status Tracking (Check off as appropriate)	
<input type="checkbox"/> Draft SAR reviewed by NERC Staff	<input type="checkbox"/> Final SAR endorsed by the SC
<input type="checkbox"/> Draft SAR presented to SC for acceptance	<input type="checkbox"/> SAR assigned a Standards Project by NERC
<input type="checkbox"/> DRAFT SAR approved for posting by the SC	<input type="checkbox"/> SAR denied or proposed as Guidance document

Version History

Version	Date	Owner	Change Tracking
1	June 3, 2013		Revised
1	August 29, 2014	Standards Information Staff	Updated template
2	January 18, 2017	Standards Information Staff	Revised
2	June 28, 2017	Standards Information Staff	Updated template