

June 24, 2024

Latrice Harkness on behalf of the Project 2021-03 Drafting Team

Dear Madame,

Thank you for submitting a Standard Authorization Request (SAR) dated May 7, 2024 for Modifications to CIP-002.

Pursuant to Section 4.2 of the NERC Standard Processes Manual (SPM), Appendix 3A to the NERC Rules of Procedure, I am writing to inform you that on June 12, the Standards Committee (SC) reviewed and rejected the SAR submitted by NERC for good cause. The SAR was rejected on the grounds that there is insufficient stakeholder support, lack of reliability benefit, and continued revisions of the SAR would not be productive. For additional information on this matter, please see the attached background document and review this [link](#) to the comments received in response to a public posting, and the SAR. These documents were considered at the June 12, 2024 SC meeting.

Sincerely,



Todd Bennett  
Chair, NERC Standards Committee

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## Project 2021-03 CIP-002

### Action

- Accept the revised Project 2021-03 CIP-002 Modifications to CIP-002 Standard Authorization Request (SAR);
- Authorize drafting new or modified Reliability Standard(s) as identified in the Project 2021-03 CIP-002 Modifications to CIP-002 SAR.

### Background

Project 2021-03 currently has five assigned SARs:

- [2016-02 SAR](#) – [Transmission Owner Control Centers (TOCC)] - Evaluate the categorization of TOCCs performing the functional obligations of a Transmission Operator, specifically those that meet medium impact criteria.
- [CIP-002 and CIP-014](#) - By modifying the standards to replace/update language with regards to “critical to the derivation of the Interconnection Reliability Operating Limits (IROLS) to appropriately identify facilities.”
- [CIP-002 Communication Protocol Converters](#) - Include the identification of communication protocol converters and the relationship to the exception in Section 4.2.3 in CIP-002.
- [Modifications to CIP-002](#) - To ensure all bulk electric system (BES) Cyber Systems’ associated Cyber Assets (CA) are identified for the application of cyber security requirements commensurate with the adverse impact that loss, compromise, or misuse of those CA.
- [CIP-002-5.1a Criterion 1.3 Revision SAR](#) - Seeks to add Criterion 2.6 to the list of Criteria in Criterion 1.3 in Attachment 1 of CIP-002-5.1a. This project will require the Transmission Operator (TOP) to categorize its BES Cyber System(s) as high impact that meet Criterion 2.6. By including Criterion 2.6 in Criterion 1.3, the TOP’s BES Cyber System (s) will be properly categorized as high impact for Transmission Facilities at a single station or substation location that is identified as critical to the derivation of IROLS and their associated contingencies.

The Standards Committee (SC) authorized solicitation for a Drafting Team (DT) to conduct a field test and assigned a portion of the Project 2016-02 SAR that relates to TOCC to the DT on March 17, 2021. The solicitation for the DT occurred from March 22, 2021 — April 27, 2021. At the May 19, 2021 meeting, the SC appointed the chair, vice chair, and members to the Project 2021-03 CIP-002 DT.

The SC accepted the Modifications to CIP-002 SAR, and assigned it to the Project 2021-03 DT on February 16, 2022. The SAR was posted for a 30-day formal comment period from November 22, 2022 – December 21, 2022.

The SC approved the Project 2021-03 [Field Test Plan](#) on November 17, 2021. Three fields tests were conducted in 2022 and the [final report](#) was posted to the project page in January 2023.

The DT initially focused on drafting revisions to respond to the 2016-02 SAR. The DT has posted revisions to the 2016-02 SAR twice, an initial draft of the revised CIP-002 standard from September 26, 2023 through November 9, 2023, for comment and ballot, and an additional posting from April 2, 2024 through May 16, 2024.

During the most recent comment and ballot period for the 2016-02 revisions, the DT held multiple meetings to address the Modifications to CIP-002 SAR. During this time, the DT reviewed, and responded to SAR comments for the Modifications to CIP-002 SAR, described *supra*. Revisions were made to the Modifications to CIP-002 SAR to clarify the scope of work and ensure consistent usage of terminology.

### **Summary**

NERC staff recommends the SC accept the revised Modifications to CIP-002 SAR, and authorize drafting new or modified Reliability Standard(s) as identified in the Modifications to CIP-002 SAR.

## Standard Authorization Request (SAR)

Complete and submit this form, with attachment(s) to the [NERC Help Desk](#). Upon entering the Captcha, please type in your contact information, and attach the SAR to your ticket. Once submitted, you will receive a confirmation number which you can use to track your request.

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:	Modifications to CIP-002
Date Submitted:	10/4/2021 (Revised on 5/7/2024)

### SAR Requester

Name:	Latrice Harkness (Revised by the 2021-03 Drafting Team)		
Organization:	NERC		
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### 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 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 checked="" type="checkbox"/> Industry Stakeholder Identified

### Industry Need (What Bulk Electric System (BES) reliability benefit does the proposed project provide?):

The purpose of this project is to centralize the identification of Protected Cyber Assets (PCAs), Electronic Access Control or Monitoring Systems (EACMS), and Physical Access Control Systems (PACS) in a single standard. This work will bring clarity to industry and regulators alike by centralizing the requirements to identify such "CIP applicable" systems solely within a single standard.

This work will also ensure that security requirements, commensurate with the adverse impact that loss, compromise, or misuse of PCAs, EACMS, and PACS could have on the reliable operation of the BES. The consideration, identification, and categorization of PCA's, EACMS, and PACS systems within CIP standards supports appropriate protection against compromises, without which an accurate identification of such associated applicable EACMS, PACS, and PCA's may result in registered entities' failure to deploy appropriate controls to these cyber systems and which may lead to misoperation or instability in the BES.

Requested information
Purpose or Goal (How does this proposed project provide the reliability-related benefit described above?):
The purpose of this work is to revise CIP-002 language to include considerations for EACMS, PACS, and PCAs, which if compromised may pose a threat to their associated BES Cyber System by virtue of: (a) their location within the Electronic Security Perimeter (PCA), or (b) the security control function they perform (EACMS and PACS). This project will ensure the reliable operation of the BES by requiring the identification of EACMS, PACS, and PCAs so that the appropriate controls can be implemented.
Project Scope (Define the parameters of the proposed project):
This project will make revisions to CIP-002 to include the identification of PCA's, EACMS, and PACS associated with high and medium impact BES Cyber Systems.
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 <sup>1</sup> 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):
Revise CIP-002 to include the identification of EACMS, PACS, and PCAs. This work will revise CIP-002 requirements to allow entities to consider and process applicable systems as part of the CIP-002 identification and categorization requirements.
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 comment period to ensure cost 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):
None.
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 Operator, Reliability Coordinator, etc. See the most recent version of the NERC Functional Model for definitions):
Balancing Authority, Distribution Provider, Generator Operator, Generator Owner, Interchange Coordinator or Interchange Authority, Reliability Coordinator, Transmission Operator, and Transmission Owner.
Do you know of any consensus building activities <sup>2</sup> in connection with this SAR? If so, please provide any recommendations or findings resulting from the consensus building activity.
None.
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)?

<sup>1</sup> 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.

<sup>2</sup> 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.

Requested information
Project 2016-02, Project 2021-03, Project 2023-06
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.

Reliability Principles	
Does this proposed standard development project support at least one of the following Reliability Principles ( <a href="#">Reliability Interface Principles</a> )? 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.

Market Interface Principles	
Does the proposed standard development project comply with all of the following <a href="#">Market Interface Principles</a> ?	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

<b>Identified Existing or Potential Regional or Interconnection Variances</b>	
Region(s)/ Interconnection	Explanation
<i>e.g.</i> , NPCC	None.

## 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
3	February 22, 2019	Standards Information Staff	Added instructions to submit via Help Desk
4	February 25, 2020	Standards Information Staff	Updated template footer