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the initial informational filing regarding the schedules on March 19, 2020⁴ and one additional filing with updated schedules on June 19, 2020.⁵

I. BACKGROUND

NERC initiated Project 2016-02 to address the directives from Order No. 822⁶ as well as issues identified during implementation of the CIP Reliability Standards approved in Order No. 791.⁷ One issue identified during implementation included how the CIP Reliability Standards address virtualization.⁸ Because of the increased interest in using virtualization in industrial control system environments, the Project 2016-02 standard drafting team is considering modifications to the CIP Reliability Standards and associated definitions to more specifically address permitted architecture and the security risks of virtualization technologies.

NERC initiated Project 2019-02 to develop modifications to the CIP Reliability Standards regarding managing access and securing BES Cyber System Information. Specifically, Project 2019-02 seeks to clarify requirements in CIP-004-6 and CIP-011-2 regarding access management of BES Cyber System Information while in transit, storage, and use, and to clarify protections when entities use third-party cloud service providers for BES Cyber System Information.

In the February 20 Order, the Commission directed NERC to submit, within 30 days of the issuance of the Order, an informational filing that includes project schedules for Projects 2016-02

⁴ NERC, Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects, Docket No. RD20-2-000 (March 19, 2020) [hereinafter March Informational Filing].

⁵ NERC, Informational Filing of the North American Electric Reliability Corporation Regarding Standards Development Projects, Docket No. RD20-2-000 (June 19, 2020) [hereinafter June Informational Filing].

⁶ *Revised Critical Infrastructure Protection Reliability Standards*, Order No. 822, 154 FERC ¶ 61,037, at PP 32, 73, *reh'g denied*, Order No. 822-A, 156 FERC ¶ 61,052 (2016).

⁷ *Version 5 Critical Infrastructure Protection Reliability Standards*, Order No. 791, 145 FERC ¶ 61,160 (2013), *order on clarification and reh'g*, Order No. 791-A, 146 FERC ¶ 61,188 (2014).

⁸ “Virtualization is the process of creating virtual, as opposed to physical, versions of computer hardware to minimize the amount of physical hardware resources required to perform various functions.” *Virtualization and Cloud Computing Services*, Notice of Inquiry, 170 FERC ¶ 61,110 at P 4 (2020) (citing the National Institute of Standards and Technology, *Guide to Security for Full Virtualization Technologies, Special Publication 800-125* (Jan. 2011), <https://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-125.pdf>).

and 2019-02.⁹ The Commission stated that these schedules should include the status of the projects, interim target dates, and the anticipated filing date for new or modified Reliability Standards. In addition, the Commission directed NERC to file quarterly informational status updates, beginning in June 2020, until NERC files new or modified standards with the Commission.¹⁰

II. PROJECT SCHEDULES

The following section provides the status of the projects, interim target dates, and the anticipated filing dates for modified Reliability Standards for Projects 2016-02 and 2019-02. NERC notes that these schedules are projections and subject to change. In particular, NERC has adjusted its activities due to the coronavirus outbreak,¹¹ coordination with other standards development projects, and recent severe weather affecting the Bulk-Power System, including the response to Hurricane Laura. These adjustments permit standard drafting team members and industry to focus on activities that maintain reliability during immediate threats. As such, the schedules for Project 2016-02 and Project 2019-02 have been impacted as described below and may be impacted further throughout the remainder of 2020.

A. Project 2016-02 Modifications to CIP Standards

The Project 2016-02 standard drafting team is proposing modifications to currently enforceable Reliability Standards CIP-004-6, CIP-005-5, CIP-006-6, CIP-007-6, and CIP-010-2 to address virtualization, with possible conforming changes to other Reliability Standards. The standard drafting team has conducted informal comment periods on these revisions and is currently preparing for a formal comment period and ballot. In addition, the standard drafting team is hosting

⁹ February 20 Order, *supra* note 1, at P 5.

¹⁰ *Id.*

¹¹ NERC spread out its comment periods and ballots for standards development projects to allow industry the ability to focus efforts on the pandemic response.

a virtual workshop for stakeholders to review proposed standards revisions and provide informal feedback.

The schedule for Project 2016-02 has been revised from the schedule provided in the March and June Informational Filings as follows:

- Initial 45-day formal comment period and ballot: To be posted ~~September 2020~~
March 2021
- Additional 45-day formal comment period and ballot (if needed): To be posted
~~February~~ **August** 2021
- Additional 45-day formal comment period and ballot (if needed): To be posted
~~June~~ **November** 2021
- Final ballot: To be posted ~~August 2021~~ **January 2022**
- NERC Board of Trustees Adoption: ~~November 2021~~ **February 2022**

The standard drafting team anticipates filing the proposed Reliability Standards with the Commission in March 2022 (deferred from the original target date of December 2021).

B. Project 2019-02 BES Cyber System Information Access Management

The Project 2019-02 standard drafting team is proposing modifications to currently enforceable Reliability Standards CIP-004-6 and CIP-011-2 to address access management to BES Cyber System Information. The standard drafting team posted the Reliability Standards for an initial 45-day formal comment period and ballot from December 20, 2019 to February 3, 2020, which did not achieve enough affirmative votes. The standard drafting team reviewed stakeholder comments and posted revised Reliability Standards for an additional 45-day formal comment period and ballot starting on August 6, 2020.

The schedule for Project 2019-02 has been revised from the schedule provided in the June Informational Filing as follows:

- Additional 45-day formal comment period and ballot: Posted ~~July~~ **August 6, 2020**
- **Additional 45-day formal comment period and ballot (if needed): To be posted December 2020**
- Final ballot: To be posted ~~September 2020~~ **January 2021**
- NERC Board of Trustees Adoption: ~~November 2020~~ **February 2021**

The standard drafting team anticipates filing the proposed Reliability Standards with the Commission in March 2021 (deferred from the December 2020 target date provided in the June Informational Filing).

III. CONCLUSION

At the time of this filing, Project 2016-02 and Project 2019-02 remain on schedule as provided herein. If any changes occur to the projects' status, target dates, or anticipated filing dates, NERC will provide these changes in its quarterly informational filings submitted pursuant to the directive in the February 20 Order.

Respectfully submitted,

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September 17, 2020

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in the above-referenced proceeding.

Dated at Washington, D.C. this 17th day of September, 2020.

/s/ Marisa Hecht

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