NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

DRAFT Reliability Standards Development Plan

2020-2022

October _, 2019

RELIABILITY | RESILIENCE | SECURITY




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Background

As described herein, the 2020-2022 Reliability Standards Development Plan (RSDP) builds upon the goals of the previous RSDPs with an additional objective of implementing changes based on the Standards Efficiency Review (SER) efforts that began in 2019.

Pursuant to Section 310 of the NERC Rules of Procedure, NERC is required to develop and provide to applicable governmental authorities an annual RSDP for Reliability Standards development. Each annual RSDP must include a progress report comparing results achieved to the prior year's RSDP. NERC is required to consider the comments and priorities of the applicable governmental authorities in developing and updating the annual RSDP. NERC also provides the RSDP to the NERC Standards Committee (SC) for review and posts the RSDP for industry comment.

Executive Summary

This 2020-2022 RSDP provides insight into standards development activities anticipated at the time of publication, so that stakeholders may make available resources needed to accomplish the standards development objectives. Additional activities such as Requests for Interpretation and Regional Variance development may impact the plan, but are not included at this time. In order to help the industry understand resource requirements for each project, the RSDP now shows time frames and anticipated resources for each project under development.

The 2020–2022 RSDP recognizes the diligent work over the last few years in transforming the body of NERC Reliability Standards into a mature state while shifting the focus of the standards program to Periodic Reviews, Federal Energy Regulatory Commission (FERC) directives, emerging risks, Standard Authorization Requests (SARs), and the SER. The 2020-2022 RSDP also contemplates that the work of the various NERC technical committees and working groups thereunder, may result in one or more SARs and subsequent standards projects. The 2020-2022 RSDP also includes plans for completing the Periodic Reviews initiated in prior years.

Periodic Reviews and initiatives, such as the next phases of the SER project, also enable NERC to identify requirements that do little to promote reliability, and should therefore be retired. As with the 2019-2021 RSDP, Periodic Reviews will occur at a measured pace compared to the level of activity and pace of standards development during recent years. Additionally, Periodic Reviews will be aligned with the strategic consideration of reviewing standard families that are interrelated.[1] Also, the Standards Grading that was paused due to the SER project will resume in 2019.

While most of the work in the next three years will focus on Periodic Reviews, SER implementation, and Standards Grading, there may be new or emerging risks identified that could generate new standards development projects. NERC will continue to seek input and recommendations from the Reliability Issues Steering Committee (RISC) with regard to emerging or potential risks to Bulk Electric System (BES) reliability that may require revisions to existing standards or new standards development.

To help determine impact of potential risk to BES reliability, NERC will use a variety of feedback mechanisms, including but not limited to, the Compliance Monitoring and Enforcement Program, RISC profiles, Events Analysis, and Compliance violation statistics, as well as any published "Lessons Learned." The Regional Entities also have feedback mechanisms in place to solicit comments from industry and to help identify approaches to meet concerns and provide input to the standards. Input into standards will also continue to be coordinated with the North American Energy Standards Board as appropriate. In assessing feedback to create new or revised standards, NERC will focus on risk, reliability or security data, and enforcement information to determine whether a standard revision is the best tool to initially address the reliability risk.

[1] The Periodic Review standing review team grades the standards prior to conducting Periodic Reviews. The team includes representatives from NERC, the Regional Entities, and NERC technical committees. If the standard is revised through the standard development process in response to a Periodic Review recommendation(s), the Periodic Review standing review team will re-grade the standard with the revised language.

2019 Progress Report

Pursuant to Section 310 of the NERC Rules of Procedure, NERC offers the following progress report on Reliability Standards development in 2018.

FERC Directives

As of August 31, 2019, there are 12 outstanding FERC directives, 6 of which are related to standards and being resolved through the standards development process. The status of the Standards directives are reported quarterly to the NERC Board of Trustees (Board).

Projects Completed in 2019

All of the projects from the previous RSDP are complete or expected to be complete this year, except the following which will continue into 2020:

1. Project 2015-09 Establish and Communicate System Operating Limits, and
2. Project 2016-02 Modifications to CIP Standards.

Additional project information is available on the NERC website on the Standards web page.[2] Also, the SER completed an initial assessment of the entire body of standards in 2018 prior to initiating the Standards development process to consider any changes to the body of Reliability Standards in 2019. The next phase of the SER is set to continue into 2020.

The following projects have been or are planned to be completed in 2019 (actual and anticipated Board adoption dates are noted):

1. Project 2016-02 Modifications to CIP Standards (CIP-003 directive on malicious code) (adopted by the Board in May 2019)
2. Project 2018-01 Canadian-specific Revisions to TPL-007-2 (adopted by the Board in February 2019)
3. Project 2018-02 Modifications to CIP-008 Cyber Security Incident Reporting (adopted by the Board in February 2019)
4. Project 2018-03 Standards Efficiency Review Retirements (adopted by the Board in May 2019)
5. Project 2017-01 Modifications to BAL-003-1.1 (projected to be adopted by the Board in November 2019)
6. Project 2017-07 Standards Alignment with Registration (projected to be adopted by the Board in November 2019)
7. Project 2017-03 FAC-008-3 Periodic Review (projected to be presented to the Board in November 2019)
8. Project 2017-04 Periodic Review of Interchange Scheduling and Coordination Standards (projected to be presented to the Board in November 2019)
9. Project 2017-05 NUC-001-3 Periodic Review (projected to be presented to the Board in November 2019)

[2] As of the date of publication, the subject web page resides at http://www.nerc.com/pa/Stand/Pages/default.aspx.

2020 Projects

Projects Continuing into 2020

In determining high, medium, or low priority designations for projects as listed in this RSDP, the following factors were taken into consideration:

1. Outstanding regulatory directives with filing deadlines (High Priority)
2. RISC category rankings of high impact with consideration of probability of occurrence (High or Medium Priority)
3. Potential reliability risks from stakeholders provided through feedback mechanisms (High, Medium, or Low Priority, based on the risk)
4. Outstanding regulatory directives without regulatory deadlines or "soft directives" such as considerations (High or Medium Priority)
5. Outstanding requirements that are known candidates for retirement (Medium or Low Priority)
6. Any known adverse content and quality assessments (likely Low Priority, as any reliability gaps identified have already been addressed)

High Priority

- Project 2016-02 Modifications to CIP Standards (virtualization) (drafting estimated to be completed by November 2020 requiring approximately 11 industry subject matter experts for approximately 120 work hours each for the remaining part of this project)
- Project 2015-09 Establish and Communicate System Operating Limits - FAC-010, FAC-011, FAC-014 (drafting estimated to be completed by May 2020 requiring approximately 10 industry subject matter experts for approximately 50 work hours each for the remaining part of this project)
- Project 2018-04 Modifications to PRC-024-2 ((drafting estimated to be completed by February 2020 requiring approximately 10 industry subject matter experts for approximately 50 work hours each for the remaining part of this project)
- Project 2019-01 Modifications to TPL-007-3 (drafting estimated to be completed by May 2020 requiring approximately nine subject matter experts for approximately 70 work hours each for this project)
- Project 2019-03 Cyber Security Supply Chain Risks-(drafting estimated to be completed by December 2020 requiring approximately nine subject matter experts for approximately 90 work hours each for this project)

Medium Priority

- Project 2019-05 Modifications to PER-003-2 (drafting estimated to be completed by August 2020 requiring approximately eight subject matter experts for approximately 40 work hours each for this project)

Low Priority

- Project 2019-04 Modifications to PRC-005-6 (drafting estimated to be completed by August 2020 requiring approximately eight subject matter experts for approximately 40 work hours each for this project)

Other Projects Continuing into 2020

NERC Reliability Standards Efficiency Review Continuation

In 2018, NERC began using both internal ERO Enterprise resources and industry resources to evaluate candidates for potential Reliability Standard retirements. NERC solicited industry participants to evaluate possible candidate requirements that may no longer be necessary to support reliability or address current risks to the Bulk Power System (BPS). Through open and transparent industry participation, the SER teams submitted a SAR to the SC in order to implement recommended changes to the body of Reliability Standards. The SAR was accepted at the August 2018 SC meeting, and the effort retired numerous standards. The next phase of the SER project will determine if there are additional requirements that could be retired by making small modifications to the standard. The next phase will also review the CIP family of standards.

NERC will continue to coordinate with the industry team to ensure all of the information developed through previous Standards Grading efforts, which includes consideration of content, quality, cost, and reliability impact analysis, align with the SER projects. Thus, some projects such as the Standards Alignment with Registration and periodic reviews may have some natural synergies that allow for other projects to be combined with the SER initiative.

Other Projects Commencing

At least two Periodic Reviews should commence in 2020 based on feedback from industry and results of the Standards Grading project and other initiatives. However, the Periodic Reviews will coordinate timing with the next phase of the SER project to ensure the initiatives work together to review the standards that may need to be modified. Additionally, SARs, emerging risks to the BPS, and FERC regulatory directives that may occur subsequent to publishing this RSDP may prompt additional projects through 2019. One anticipated project is one that will address cold weather reliability issues. Finally, as noted above, the Standards Grading effort will resume in 2020.