Unofficial Comment Form
Project 2014-04 Physical Security
CIP-014-2

DO NOT use this form for submitting comments. Use the electronic form to submit comments on the draft CIP-014-2 Reliability Standard. The electronic comment form must be completed by 8:00 p.m. ET on April 9, 2015.

If you have questions, contact Stephen Crutchfield via email or by telephone at (609) 651-9455.

The project page may be accessed here.

Background Information
In Order No. 802 (final order on CIP-014-1 – Physical Security), issued on November 20, 2014, FERC directed NERC to remove the term “widespread” from Reliability Standard CIP-014-1 or, alternatively, to propose modifications to the Reliability Standard that address the Commission’s concerns. FERC directed that NERC submit a responsive modification within six months from the effective date of this final rule.

FERC noted that incorporating the undefined term “widespread” in Reliability Standard CIP-014-1 introduces excessive uncertainty in identifying critical facilities under Requirement R1. As the Commission stated in the March 7 Order, only an instability that has a “critical impact on the operation of the interconnection” warrants finding that the facility causing the instability is critical under Requirement R1. The March 7 Order did not intend to suggest that the physical security Reliability Standards should address facilities that do not have a “critical impact on the operation of the interconnection.” This understanding is, we believe, unintentionally absent in Requirement R1 because the requirement only deems a facility critical when, if rendered inoperable or damaged, it could result in widespread instability, uncontrolled separation, or Cascading within an Interconnection. The definition in Requirement R1 should not be dependent on how an applicable entity interprets the term “widespread” but instead should be modified to make clear that a facility that has a critical impact on the operation of an Interconnection is critical and therefore subject to Requirement R1.

The Physical Security Standard Drafting Team (PSSDT) revised CIP-014-1, Physical Security, by removing the term “widespread” from the standard. This was done in the Purpose Statement, Background Section, Requirement R1, the Rationale for Requirement R1 as well as the Guidance and Technical Basis Section of the standard. Additionally, the PSSDT has added the following to the Rationale and guideline and Technical Basis for Requirement R1:
"The requirement is not to require identification of, and thus, not intended to bring within the scope of the standard a Transmission station or Transmission substation unless the applicable Transmission Owner determines through technical studies and analyses based on objective analysis, technical expertise, operating experience and experienced judgment that the loss of such facility would have a critical impact on the operation of the Interconnection in the event the asset is rendered inoperable or damaged. In the November 20, 2014 Order, FERC reiterated that "only an instability that has a "critical impact on the operation of the interconnection" warrants finding that the facility causing the instability is critical under Requirement R1." The Transmission Owner may determine the criteria for critical impact by considering, among other criteria, any of the following:

- Criteria or methodology used by Transmission Planners or Planning Coordinators in TPL-001-4, Requirement R6
- NERC EOP-004-2 reporting criteria
- Area or magnitude of potential impact"

Additionally, the PSSDT revised the Rationale for Requirement R1 as follows:

Requirement R1 also meets the FERC directive for periodic reevaluation of the risk assessment by requiring the risk assessment to be performed every 30 months (or 60 months for an entity that has not identified in a previous risk).

You do not have to answer all questions below. Enter comments in simple text format. Bullets, numbers, and special formatting will not be retained. Due to the expected volume of comments, the SDT asks that commenters consider consolidating responses and endorsing comments provided by another.

Questions

1. The PSSDT has revised CIP-014-1, Physical Security, to address the directive from FERC to to remove the term "widespread" from Reliability Standard CIP-014-1. Do you agree with the proposed revisions to the standard contained in CIP-014-2 as summarized above? If not, please provide specific comments regarding the revisions and any suggestions for appropriate revisions.

☐ Yes
☒ No

Comments: With the word "widespread" removed, Requirement R1 implies that if and when a station becomes inoperable and a potential threat for instability (large or small), uncontrolled separation or cascading, the station should be declared critical. Depending on the severity of an instability, there may or may not be any adverse impact on the operation of the interconnection. For example, if a station in a
pocket or remote area should become inoperable and a potential threat for instability, it may not create any adverse impact on interconnected operations. Hence, to capture the intent of the requirement such that it addresses facilities that can impact interconnected operations, suggest modifying R1 as follows (see words underlined and in bold):

R1. Each Transmission Owner shall perform an initial risk assessment and subsequent risk assessments of its Transmission stations and Transmission substations (existing and planned to be in service within 24 months) that meet the criteria specified in Applicability Section 4.1.1. The initial and subsequent risk assessments shall consist of a transmission analysis or transmission analyses designed to identify the Transmission station(s) and Transmission substation(s) that if rendered inoperable or damaged could result in a critical impact on the operation of the interconnected power system by causing instability, uncontrolled separation, or Cascading within an Interconnection.

For the Rationale Box for R1, we suggest replacing “among other criteria” with “for example.” This wording clarifies that the examples given are merely examples and not the only options for determining critical impact.

“[...] the Transmission Owner may determine the criteria for critical impact by considering, for example, any of the following:

- Criteria or methodology used by Transmission Planners or Planning Coordinators in TPL-001-4, Requirement R6
- NERC EOP-004-2 reporting criteria
- Area or magnitude of potential impact”

In paragraph 6 of the FERC Docket No. RD14-6-000, “interconnection” is lower case. Should “interconnection” as used in the standard’s Rationale for Requirement R1 and in the Guidelines and Technical Basis on page 31 be upper or lower case?

To make the wording of the Rationale for Requirement R1 consistent with the wording in RD14-6-000, suggest rewording the second sentence to read”...applicable Transmission Owner determines through objective analysis, technical expertise, and experienced judgment...”R6 Severe VSL: “The Responsible Entity had an unaffiliated third party review the evaluation performed under Requirement R4 and the security plan(s) developed under Requirement R5 but failed to implement procedures for protecting information per Part 6.3” should read “per Part 6.4".