



**Federal Energy Regulatory Commission**  
**April 18, 2013**  
**Open Commission Meeting**  
**Staff Presentation**  
**Item E-7**

"Good morning Mr. Chairman and Commissioners.

"Item E-7 is a draft Notice of Proposed Rulemaking on the Critical Infrastructure Protection (CIP) version 5 Reliability Standards. In addition to those of us seated at the table, we would also like to recognize the contributions of the various team members from the Office of Electric Reliability, the Office of the General Counsel, and the Office of Enforcement.

"On January 31, 2013, NERC submitted the fifth version of the CIP Reliability Standards. The proposed standards represent an improvement over the current Commission-approved CIP Reliability Standards. In particular, the CIP version 5 Standards adopt a new approach to identifying and classifying all BES Cyber Systems as having high, medium, or low impact. Moreover, the proposed standards include new security controls, focused on improving how responsible entities address systems security management, configuration change management, vulnerability assessments, and other key aspects of a baseline cyber security program.

"The draft NOPR proposes to approve the CIP version 5 Standards as an improvement over the currently-approved CIP Reliability Standards. There are, however, certain aspects of the proposed standards that raise concerns regarding the ambiguity and, ultimately, the enforceability of the CIP version 5 Standards. The NOPR seeks comment on these concerns, including the use of new language to "identify, assess, and correct" deficiencies when complying with the standards. The NOPR also seeks comment on the potential vagueness of certain proposed definitions, as well as the lack of specific technical controls for Low Impact BES Cyber Systems.

"The NOPR also proposes to approve NERC's implementation plan for CIP version 5. Under NERC's proposed implementation plan, CIP version 4 will be retired prior to mandatory compliance and responsible entities will transition directly from CIP version 3 Standards to compliance with CIP version 5. However, the NOPR asks whether the 24-month and 36-month implementation periods proposed by NERC for the CIP version 5 Standards are necessary, and what activities are required to effect the transition during the proposed implementation periods.

"Thank you. This concludes our presentation. Staff would be happy to answer any questions."

