

170 FERC ¶ 61,109
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

North American Electric Reliability Corporation

Docket No. RD20-2-000

ORDER DIRECTING INFORMATIONAL FILINGS REGARDING
NERC STANDARD DRAFTING PROJECTS

(Issued February 20, 2020)

1. Pursuant to section 215 of the Federal Power Act (FPA),¹ the Commission directs the North American Electric Reliability Corporation (NERC) to submit an informational filing describing the activity of two NERC critical infrastructure protection (CIP) standard drafting projects pertaining to virtualization and cloud computing services. Specifically, NERC should submit a schedule for Project 2016-02 (Modifications to CIP Standards) and Project 2019-02 (BES Cyber System Information Access Management) (collectively, NERC Projects). Each schedule should include the current status of the project, interim target dates, and the anticipated filing date for new or modified Reliability Standards. NERC is directed to submit the informational filing within 30 days of the date of issuance of this order. In addition, we direct NERC to file quarterly status updates, on an informational basis, until such time as new or modified Reliability Standards are filed with the Commission.

I. Background

A. Project 2016-02 – Modifications to CIP Standards

2. NERC initiated Project 2016-02 in 2016 to address a directive in Order No. 822 regarding the protection of transient electronic devices used at low impact BES Cyber Systems.² The standard authorization request for the project that defines the scope of the drafting project includes matters beyond the Order No. 822 directive, including revisions

¹ 16 U.S.C. § 824o (2018). *See also* 18 C.F.R. § 39.2(d) (2019) (the electric reliability organization shall provide the Commission information as necessary to implement section 215 of the FPA).

² *Revised Critical Infrastructure Protection Reliability Standards*, Order No. 822, 154 FERC ¶ 61,037, at P 32, *order denying reh'g*, Order No. 822-A, 156 FERC ¶ 61,052 (2016).

to support the use of virtualization technologies by registered entities as compatible with the CIP Reliability Standards.³

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

3. NERC initiated Project 2019-02 in 2019 in response to an industry standard authorization request. The standard authorization request identified a need to enhance bulk electric system reliability by creating increased choice, greater flexibility, higher availability, and reduced-cost options for responsible entities to manage their BES Cyber System Information. Specifically, Project 2019-02 is intended to facilitate the use of third-party data storage and analysis systems, in part by clarifying the minimum protections expected when a responsible entity utilizes third-party data management solutions (e.g., cloud computing services).⁴

II. Discussion

4. The Commission recognizes that the NERC Projects are ongoing and that substantial progress has been made by the standard drafting teams. As discussed in the Notice of Inquiry issued by the Commission regarding virtualization and cloud computing services, we are also aware of industry's interest in ensuring that the Reliability Standards do not unnecessarily impede the adoption of new technologies that could contribute to a more efficiently planned and operated Bulk-Power System.⁵

5. Given the potential importance of virtualization and cloud computing services, pursuant to section 215 of the FPA, the Commission directs NERC to submit an informational filing to update the Commission on the progress of Project 2016-02 and Project 2019-02. In particular, NERC should submit a schedule for each NERC Project that includes the current status of the project, interim target dates, and the anticipated filing date for new or modified Reliability Standards. NERC should submit the informational filing within 30 days of the date of issuance of this order. In addition, the Commission directs NERC to file quarterly status updates, on an informational basis, starting 120 days from the date of issuance of this order, until such time new or modified Reliability Standards are filed with the Commission.

³ See North American Electric Reliability Corp., *Reliability Standards Under Development*, <https://www.nerc.com/pa/Stand/Pages/Standards-Under-Development.aspx>.

⁴ See *id.*

⁵ *Virtualization and Cloud Computing Services*, Notice of Inquiry, 170 FERC ¶ 61,110 (2020).

The Commission orders:

(A) NERC is directed to make an informational filing for Project 2016-02 and Project 2019-02 within 30 days of the date of issuance of this order, as discussed in the body of this order.

(B) NERC is directed to file quarterly status updates on Project 2016-02 and Project 2019-02, on an informational basis, starting 120 days from the date of issuance of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.