



Texas RE CIP Compliance

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Overview

- **CIP Compliance within the Texas RE (ERCOT) region**
- **CIP Audit/Spot-Check Procedure**
- **Regional Entity Collaboration**
- **Technical Feasibility Exceptions**

CIP Compliance within Texas RE

- **Texas RE has only one Table 1 Entity**
 - CIP Spot Check of 13 CIP Requirements will be complete in October 2009.
- **Remaining registered entities fall under tables 3 and 4 of the NERC Implementation Plan**
 - CIP 002-009 Reliability Standards are enforceable at the “Compliant” stage of the NERC Implementation Plan
- **CIP Spot Checks are not required to begin for Table 3 until January 1, 2011**
 - All 41 CIP Requirements
 - Table 4 CIP Spot Checks begin 36 months from registration date

CIP Program

- **CIP Auditing, Self-Certification, Self-Reporting, and Enforcement and may include new processes that are subject to change**
- **As required per FERC Order 706, Texas RE must secure and protect CIP data at all stages:**
 - Requests
 - Delivery
 - Retention
 - Access

Texas RE CMEP Audit Process

- **60 days prior to audit**
 - Audit packets go out to entity requesting completed Reliability Standards Auditors Worksheets (RSAWs) and supporting documentation
 - Entity has 30 days to submit
- **30 days prior to audit**
 - Texas RE audit team reviews entity data submissions and prepares follow-up questions
- **Audit is conducted**
 - Evidence is corroborated and omissions addressed
 - Texas RE will retain all evidence needed for follow-up verification by Texas RE enforcement

CIP Data Submittals

- **Registered entity will provide CIP data to Texas RE via the following methods:**
 - Registered mail (FedEx, UPS, etc.) on password-protected media (USB Drive, CD/DVD ROM)
 - Passwords for media will be provided by telephone or separately emailed to Texas RE
 - PGP/GPG encrypted email
 - ◆ <http://www.gpg4win.org/>
 - Hand-delivered on password-protected media
 - Portal

Texas RE CIP Data Retention Plan

- **CIP data will be stored on a CIP-dedicated, stand-alone network**
 - Closed Network
 - CIP Dedicated Workstations
- **If CIP data is submitted electronically, upon receipt it will be moved to a Truecrypt drive on the stand-alone network**

Regional Entity Collaboration

- **CIP Compliance Working Group (CCWG)**
 - Primary goal is consistency in the application and interpretation of the CIP Reliability Standards
 - Made up of all CIP Managers and CIP Auditors across all 8 regions.
- **Compliance Monitoring Processes Working Group (CMPWG)**
 - Coordinate consistency for Audit processes
 - Coordination of audits for Multi-Regional Entities
- **Registration Working Group**
 - Multi-Region Registered Entity Procedure

Technical Feasibility Exceptions (TFE)

- **Applicable only to specific requirements in CIP-002 through CIP-009**
- **Proposed process will be a modification to the NERC Rules of Procedure**
- **Modeled after the Self-Report of Non-Compliance with Mitigation Plan**
 - ▶ An “Exception” ***not*** an “Exemption” from Compliance

Applicable Requirements

- **Requirements eligible for TFE Request:**

- CIP-005-1/R2.4
- CIP-005-1/R2.6
- CIP-005-1/R3.1
- CIP-005-1/R3.2
- CIP-007-1/R2.3
- CIP-007-1/R4
- CIP-007-1/R5.3
- CIP-007-1/R5.3.1
- CIP-007-1/R5.3.2
- CIP-007-1/R5.3.3
- CIP-007-1/R6.
- CIP-007-1/R6.3.
 - NERC will revise this list as Reliability Standards are revised and approved by FERC.

TFE Basis for Approval

When Strict Compliance with an Applicable Requirement:

- **Is not technically feasible**
- **Is not operationally feasible**
- **Is precluded by technical limitations**
- **Could adversely affect the reliability of the Bulk Electric System to an extent that outweighs the reliability benefits of Compliance with the Applicable Requirement**

TFE Basis for Approval (continued)

- **While technically and operationally feasible, cannot be achieved by the Compliance Date due to such factors as:**
 - Scarce technical resources
 - Limited availability of required equipment or components
 - Need to construct, install, or modify equipment during planned outages

TFE Basis for Approval (continued)

- **Would pose safety risks or issues that outweigh the reliability benefits of Strict Compliance**
- **Would conflict with, or cause the Registered Entity to be non-compliant with a separate statutory or regulatory requirement that cannot be waived**
- **Would incur costs that exceed the benefits of Compliance**

TFE Request

- **Separate TFE request for each Applicable Requirement**
- **Multiple similar Critical Assets may be grouped into one TFE request**
 - Same or multiple locations
 - Same basis for TFE
 - Same compensating and mitigating measures
 - Similar proposed expiration dates

Next Steps

- **September 2009**
 - Comments on TFE process due

- **October 2009**
 - Part A form implemented to start accepting TFE requests

 - Development of permanent TFE program to continue

 - Revisions to NERC's ROP, the Compliance Monitoring and Enforcement Program and a new Appendix 4D to NERC's ROP (based on Initial TFE Program Proposal)
 - ◆ To be filed with FERC for approval

Questions?

Please visit us at:
www.texasre.org



You may also submit questions to information@texasre.org