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## Project QC-2022-05

### CIP-014-3 – Physical Security

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#### 1. OVERVIEW OF THE STANDARDS

##### 1.1. Applicability

This document concerns the adoption of Reliability Standard CIP-014-3 to replace Reliability Standard CIP-014-2. The table below presents the Functional Entities concerned by this standard.

Standard	Functional Entity
CIP-014-3	Transmission Owner (TO) Transmission Operator (TOP)

The Reliability Coordinator in Québec (the “Coordinator”) states there is no change in the applicability of standard CIP-014-3 compared to its previous version, standard CIP-014-2.

##### 1.2. Purpose of the Standards

This section describes the purpose of the standard covered by this request. The title and purpose of the standard are as follows:

- **CIP-014-3 – Physical Security:** To identify and protect Transmission stations and Transmission substations, and their associated primary control centers, that if rendered inoperable or damaged as a result of a physical attack could result in instability, uncontrolled separation, or Cascading within an Interconnection.

##### 1.3. Regulatory Context

In compliance with Section 85.6 of the Act Respecting the Régie de l’énergie, the Coordinator is submitting the CIP-014-3 Reliability Standard developed by North American Electric Reliability Corporation (“NERC”) and its appendix for adoption by the Régie. CIP-014-3 replaces the CIP-014-2 standard adopted by the Régie de l’énergie (the Régie) in decision D-2017-117<sup>1</sup> and in effect since July 1, 2018.

The CIP-014-3 Reliability Standard was adopted by the NERC Board of Trustees on February 10, 2022<sup>2</sup> and was approved by the Federal Energy Regulatory Commission (FERC) on June 16, 2022 in docket RD22-3-000<sup>3</sup>. The standard came into force in the United States immediately upon approval by FERC on June 16, 2022<sup>4</sup>.

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<sup>1</sup> Régie Decision D-2017-117, retrieved on August 3, 2022, from: [http://publicsde.regie-energie.qc.ca/projets/408/DocPri/R-4005-2017-A-0009-Dec-Dec-2017\\_10\\_31.pdf](http://publicsde.regie-energie.qc.ca/projets/408/DocPri/R-4005-2017-A-0009-Dec-Dec-2017_10_31.pdf) (in French only)

<sup>2</sup> NERC Petition docket RD-2-3-000, retrieved on August 3, 2022, from: <https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/Petition%20-%20CIP-014%20Evidence%20Provision.pdf#page=7>

<sup>3</sup> FERC Order, docket RD2-3-000, retrieved on August 3, 2022, from : [https://elibrary.ferc.gov/eLibrary/filelist?accession\\_num=20220616-3032](https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20220616-3032)

<sup>4</sup> Mandatory standards subject to a enforcement on the NERC website retrieved on August 3, 2022, from <https://www.nerc.com/pa/Stand/AlignRep/Mandatory%20Standards%20Subject%20to%20Enforcement.xlsx>.

#### **i. Development of the CIP-014-Compliance Section**

On March 7, 2014, FERC issued an order directing NERC to develop and file for approval proposed Reliability Standards that address threats and vulnerabilities to the physical security of critical facilities on the Bulk-Power System (BPS)<sup>5</sup>. Due to concerns about the public release of the identity of critical BPS facilities, FERC stated in this order that guarding sensitive or confidential information is essential to preventing attacks on critical infrastructure. Furthermore, FERC state that NERC should include in the Reliability Standards a procedure that will ensure confidential treatment of sensitive or confidential information that would still allow for the Commission, NERC and the Regional Entities to review any information that is needed to ensure compliance with the Reliability Standards. In developing CIP-014-1 in response to the March 2014 Order, NERC addressed the confidentiality issue in two ways. First, Requirements R2 and R6, which require third party verifications, obligate Transmission Owners and Transmission Operators to implement procedures for protecting sensitive or confidential information made available to the unaffiliated third-party reviewers and second, NERC included the provision Additional Compliance Information in section 1.4 of the Compliance Section of the standard. This provision is unique to CIP-014. No other Reliability Standard includes a similar provision in its associated Compliance section.

#### **1.4. Specific Provisions for Québec**

For Reliability Standard CIP-014-3 the Coordinator requests renewal of all specific provisions in the previous version of this standard, namely:

- This standard only applies to the facilities of the Main Transmission System (RTP) that meet the criteria established in the "Applicability" section. In application of this standard, any reference to the term "BES" shall be replaced by the term "RTP".

The Coordinator is of the opinion that the special provision is still applicable because the scope of application determined by the Régie for most Reliability Standards in Québec is the RTP.

#### **1.5. Proposed Effective Dates**

NERC did not submit an implementation plan with the filing of the CIP-014-3 standard. Instead, they requested that FERC issue an order within 30 days of the approval of the standard.<sup>6</sup>

Given the importance of having uniform practices with mandatory standards in effect harmonized with the United States, the Coordinator requests an effective date on the first day of the first calendar quarter<sup>7</sup> that is three (3) months after the adoption date of the revised standards in this file. The Coordinator considers that the criterion established by the Régie to have a minimum period between the date of adoption and the entry into force of 60 days<sup>8</sup> is respected in the Coordinator's implementation proposal.

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<sup>5</sup> FERC Order, docket RD14-6-000, retrieved on August 3, 2022, from: <https://www.nerc.com/FilingsOrders/us/FERCOrdersRules/RD14-6.pdf>

<sup>6</sup> NERC Petition docket RD-2-3-000, retrieved on August 3, 2022, from:

<https://www.nerc.com/FilingsOrders/us/NERC%20Filings%20to%20FERC%20DL/Petition%20-%20CIP-014%20Evidence%20Provision.pdf#page=3>

<sup>7</sup>According to the decision [D-2015-168](#), the Régie fixed the effective date of standards on the first day of the first calendar quarter following the adoption date. (in French only)

<sup>8</sup>According to the decision [D-2016-011](#), the Régie fixed the minimum delay to 60 days between the adoption and effective date of standards. (in French only)

## **1.6. Standards to Retire**

Reliability standard CIP-014-2 is to be retired as soon as Reliability Standard CIP-014-2 takes effect.

## **1.7. Modifications to the Glossary**

No modifications to the Glossary.

## **2. ASSESSMENT OF RELEVANCE**

### **2.1 Modifications to the CIP-014-2 standard**

Given that the modification made to the CIP-014-3 standard was limited to the “Additional Compliance Section Information” provision in the Compliance section of the CIP-014-2 standard, CIP-014-3 was not balloted under the Standards Process Manual as the Compliance Section is not mandatory and enforceable. NERC staff briefed both the Compliance and Certification Committee and the NERC Board of Trustee Compliance Committee on the proposed removal. Neither the Federal Power Act (FPA), FERC regulations, nor the NERC Rules of Procedure (ROP) specify that changes to the non-mandatory sections of a Reliability Standard require FERC approval as they are for informational and guidance purposes only, however out of an abundance of caution and in recognition of FERC instruction to ensure that CIP-014 compliance evidence is protected from public disclosure, NERC submitted the change to the Compliance section for FERC approval.

In its decision in docket RD22-3-000, FERC found that the NERC’s request for removal of the evidence retention provision in section 1.1.4 of the compliance section of the CIP-014-2 is just, reasonable, no unduly discriminatory or preferential, and in the public interest<sup>9</sup>. FERC is of the opinion that while this section may have provided necessary protection in the past and are persuaded by NERC’s explanation that its ERO Secure Evidence Locker (SEL) now offers a secure and more flexible alternative for compliance evidence collection and review for Reliability Standard CIP-014-2.

### **2.2 Conclusion for Québec**

The proposed changes in the CIP-014-3 standard are of no consequence in Québec because evidence retention is done in the Québec Compliance Monitoring System (hereafter the “SSCQ”) and that provisions specific to the Compliance section in the Québec appendix of the CIP-014 standard refers to the applicable sections of the Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP).

In accordance with the 2009 agreement between the Régie, NERC and the NPCC and with the authorization of the Québec government,<sup>10</sup> the revision to this standard was developed and approved by recognized agencies in North America, including Québec or in neighboring systems. In the opinion of the Coordinator, the proposed changes to section 1.1.4 of the Compliance section of the standard have no impact on the Registered Entities and do not compromising system reliability in Québec. The proposed revisions to the Régie contributes to harmonization with neighboring systems and is therefore relevant.

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<sup>9</sup> See note 3.

<sup>10</sup> Agreement entered into in accordance with Order-in-Council 443-2009 dated April 8, 2009. [http://www.regie-energie.qc.ca/audiences/normes\\_fiab\\_tranp\\_elec/Entente\\_Regie\\_NERC\\_NPCC\\_5mai09.pdf](http://www.regie-energie.qc.ca/audiences/normes_fiab_tranp_elec/Entente_Regie_NERC_NPCC_5mai09.pdf) [in French only].

As of the date of this public consultation, the neighbouring systems, which are New-Brunswick and Ontario systems, have not yet adopted the CIP-014-3 standard.

### 3. PRELIMINARY IMPACT ASSESSMENT

This section provides the Reliability Coordinator's preliminary assessment of the impact on all Québec entities. Given that the modifications are limited to the Compliance Section that is non mandatory and non enforceable, the impact for applicable entities is nul.

The table below presents preliminary estimates of the impact on all Québec Entities.

CIP-014-3	Low	Moderate	High
Implementation	X		
Enforcement	X		
Monitoring	X		

#### Legend

- Low:** Normal industry practice that only requires minor adjustments to existing processes or practices.
- Moderate:** Change that requires the mobilization of some physical, human or financial resources to implement the proposed standard, enforce it or monitor its compliance.
- High:** Change that requires the mobilization of significant physical, human or financial resources to plan and implement the proposed standard, enforce it or monitor its compliance.

### 4. FINAL IMPACT ASSESSMENT

This section shall be completed upon receipt of the impact assessment forms and at the conclusion of the consultation process prior to filing of reliability standards with the Régie de l'énergie.