

Critical Infrastructure Problem Statement and Issue Charge

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History of addressing the issue by the Transmission Owners and PJM

- Initially raised by PJM at Grid 20/20 on September 19, 2017 as one of three resilience initiatives that PJM would focus upon.
- PJM and the transmission owners made the decision to address one matter outside the stakeholder process.
- Two years later, August 12, 2019, the transmission owners provide notice that they were using their 205 rights at FERC to develop a solution.
 - The Transmission Owners asked for prompt action so the locations could be swiftly mitigated from physical security risks.
 - PJM stated to FERC that the efforts to develop the proposal were “significant”.

CIP-14 facility concerns raised in 2017

For PJM, resilience is the ability of the grid to withstand or bounce back quickly from all events that pose additional operational risks, Ott said. These risks range from extreme weather to earthquakes, cyber and physical attacks, and events not yet imagined.

Resilience, however, goes beyond the reliability standards that are the key to smooth daily grid operation, he added. It addresses challenges and emerging risks in order to withstand a prolonged, large-scale outage.

Ott said PJM is looking at three areas:

- Making critical facilities less critical
- Fuel security
- System restoration

Ott said making facilities less critical will come through a planning process that considers resilience as a factor or its own driver in future projects.



History of the Critical Infrastructure Discussion at the Planning Committee

- Introduced at the September PC meeting (9/12)
 - Vote to approve the PS/IC deferred by vote on 10/17/2019*
 - Vote to approve the PS/IC deferred by vote on 11/14/2019*
- IC/PS Approved on December 12
- January 17 Transmission Owners file Attachment M-4 bypassing stakeholder process
- March 17 FERC approves Attachment M-4 for certain CMPs
 - Order **does not** address avoidance or mitigation of future CIP-014 facilities
 - Order **does not** preclude superseding changes to the PJM tariff that would apply to CIP-014 facilities not substantially addressed through the M-4 process
- Transmission Owners remove current projects not timely addressed through Attachment M-4 (May 12)
 - PJM **did not** support the elimination of current projects
 - Drafting party **did not** support

Workplan and scope in the Special PC

- Scope

- Avoidance of future CIP-014 facilities
- Mitigation of future CIP-014 facilities
- ~~Mitigation of CIP-014 facilities not addressed by Attachment M-4 Removed~~
 - PJM supported discussion of all three issues

- Workplan

- ~~Expected completion in June, return to the PC in July Deadline missed~~
- Expected completion in September, return to the PC in September*
 - Final special PC meeting **after** September PC
- Already missed key component – develop options for each component for mitigation

What did FERC say?

“We recognize the potential benefit of ongoing stakeholder discussions pertaining to critical infrastructure.” ¶ 70

“[T]here are no PJM planning criteria in the Operating Agreement that would allow PJM to plan CIP-014 Mitigation Projects through its RTEP process...” ¶ 58

What does this mean?

- ❖ PJM, and stakeholders, have an opportunity to develop regional planning criteria to prevent and mitigate CIP-014-2 facilities.
- ❖ This activity is consistent with both the PS/IC and the FERC M-4 Order.
- ❖ Consistent with Commissioner Glick's comments, this regional planning criteria could be an improvement to the status quo.

What is next?

Until new critical infrastructure planning criteria is developed, M-4 is the FERC-approved process for addressing CIP-014-2 facilities.

Once appropriate planning criteria has been developed by stakeholders and approved by FERC, it will provide OA direction for the prevention and mitigation of CIP-014-2 facilities.

Why this matter should be moved to the MRC

- There has been no additions to the only stakeholder package and no additions by PJM or other parties in a few months
- The emphasis (and all the work by PJM) has been removed from the original intent (mitigation of CIP-14 projects) to avoidance.
 - Both items can be addressed at the same time
- Education and work from the Special PC will be transferred over.
- We are concerned about the potential consequences for not getting this addressed soon.

The key components of this proposal

- Confidentiality
 - The transmission owner has the right to deny (or allow) any entity – the ability to pertinent information - including states. Please note the following:
 - The need for confidentiality at the highest level is the top priority – however,
 - The TOs should not have absolute powers over the state’s review
 - **The TOs should have a gatekeep role but it should not be exercised for only their interests (e.g. the use of subcontractors)**
- Consistency through a planning criteria that considers regional and local solutions is a primary goal.
- Some oversight is needed
 - *currently PJM is the only party that will review the proposals and PJM has accepted an advisory role.
- FERC’s ruling does not preclude a follow-up proposal that addresses projects initially covered by M-4 but not yet addressed. (Projects already completed will not be impacted.)