



# Critical Infrastructure Stakeholder Oversight

## First Read of Mitigation and Avoidance Packages

Planning Committee

November 4, 2020

- Original CISO Issue Charge Approved at the PC on December 12, 2019
  - Updated Issue Charge Approved at the PC on May 12, 2020
    - FERC approved Attachment M-4 on March 17, 2020, which sets the planning procedures that Transmission Owners will apply to a limited subset of supplemental projects designated to mitigate the risk associated with CIP-014-2 facilities.
- PJM hosted 11 Special Session CISO meetings to provide education and propose solutions for Mitigation & Avoidance
  - 2 non-binding polls for consensus were conducted

Second CISO Poll was open Friday, October 2 through Friday, October 16

<b>Member Type</b>	<b>Votes</b>	<b>Percent</b>
Voting	15	15%
Affiliate	83	85%
<b>Total</b>	<b>98</b>	

1. Can you support the PJM package (CIP-014 Contingencies) for **Mitigation**? If no, please explain in the open feedback.

- Yes – 17% (17)
- **No – 83% (81)**
- Abstain – (0)

- Confidentiality – protecting highly sensitive information is the #1 concern
- Competitive Process – opening CIP-014 facilities to competition is not supported
- Baseline project criteria used to address possible CIP-014 facilities is not appropriate
- Overreach of PJM authority

2. Can you support the PJM package (Cascading Trees Analysis) for **Avoidance**? If no, please explain in the open feedback.
- **Yes – 98% (96)**
  - No – 2% (2)
  - Abstain – (0)

- Additional discussion needed as confidentiality concerns remain
- Cascading Trees Analysis must replicate TO methodology for consistency

- Opposition to treating non-CIP-014 facilities with the same level of confidentiality as CIP-014 facilities.
- Pleased to see PJM take a more active role in the oversight of regional transmission projects and the addition of competition to the process.
- Neither proposal is modeled after the FERC approved M4, which should be the framework for addressing mitigation or avoidance.
- For Avoidance, PJM needs to clarify how it plans to address proposals that trigger potential violations associated with RTEP Resilience criteria.
- Concerns about PJM reach into TO authority. Avoidance mechanism is critical and mitigation is unlikely if avoidance is implemented properly.





# PJM Package - Mitigation



# PJM Mitigation Package Proposal – Design Component #1a

#	Design Components	C – PJM
1a	Role of PJM as the Regional Transmission Planner	PJM, as the NERC registered transmission planner, to establish system reliability planning criteria for the removal of any future CIP-014 facilities. PJM to conduct analysis of potential CIP-014 facilities in order to verify. PJM to select the more efficient or cost effective solution for recommendation to the PJM Board. This process does not apply to those CMPs identified as part of the Attachment M-4 process.

- Maintains PJM authority regarding the planning of facilities to increase resilience of the PJM system
- Consistent with current OA provisions regarding PJM decision making process for the selection of facilities to be placed in the RTEP
- Prevents conflict with existing FERC approved processes
- Resilience Driver under existing Reliability Criteria.



# PJM Mitigation Package Proposal – Design Component #1b

#	Design Components	C – PJM
1b	Role of State Commissions	PJM will summarize findings in a confidential document. PJM will use existing protocols in the Operating Agreement to provide the state public utility commissions confidential documentation as needed. PJM will consult with relevant state commission(s) and asset owner regarding any potential mitigation requirements. States maintain full authority where applicable.

- Maintains consistency in the handling of information which could indicate “sensitive” areas of the system
- Utilizes provisions for handling confidential information that are consistent with other work in the RTEP



# PJM Mitigation Package Proposal – Design Component #1c

#	Design Components	C – PJM
1c	Role of PJM Stakeholders	Stakeholder participation is limited to those who are pre-qualified for designated entity status and who have executed an NDA and are interested in bidding solutions for projects qualifying as part of RFP competitive solicitation.

- Entities seeking to participate in any possible competitive process must adhere to strict non disclosure processes due to potential sensitive nature of facilities which may be discussed
  - Requires additional commitment by entities to permit participation



# PJM Mitigation Package Proposal – Design Component #1d

#	Design Components	C – PJM
1d	Role of the Asset Owner	Performs CIP-014 analysis and provides a list of critical facilities to PJM; Works with PJM to identify potential solutions. Coordinates state outreach

- Consistent with process which identifies the existence of the facilities and does not upset the normal timeframe for identification of those facilities



# PJM Mitigation Package Proposal – Design Component #2

#	Design Components	C – PJM
2	Transparency with respect to CMP	Limited to Asset Owner during CIP-014 identification and verification analysis period. A project that falls under current PJM competitive window rules (exempted less than 200kV, substation equipment and immediate need) will be open to competition as part of an RFP process if the mitigating solution does not disclose the CIP-014 facility. Full details of solution published following completion of construction.

- PJM will work directly with asset owner to verify the identification of any potential facilities
- RFP Style proposal window, seeking an entity to construct the solution identified by PJM
- Proposal Window only when solution does not disclose CIP-014 facility
- Project details disclosed following completion of construction



# PJM Mitigation Package Proposal – Design Component #3

#	Design Components	C – PJM
3	Confidentiality	PJM will consider additional confidentiality measures for those on a need to know basis for any parties requiring access to information associated with solutions.

- CIP-014 facilities are confidential beyond CEII and require the entities to have procedures to protect the confidentiality of sensitive or confidential information. Those procedures may include the following elements:
  - Control and retention of information on site for third party verifiers/reviewers.
  - Only “need to know” employees, etc., get the information.
  - Marking documents as confidential
  - Securely storing and destroying information when no longer needed.
  - Not releasing information outside the entity without, for example, General Counsel sign-off.



# PJM Mitigation Package Proposal – Design Component #3a

#	Design Components	C – PJM
3a	Competitive Process	<p>To the extent the PJM recommended transmission enhancement or expansion would be available for competition under current PJM competitive window rules (exempted less than 200kV, substation equipment and immediate need), the project will be open to competition as part of an RFP process if the mitigating solution does not disclose the CIP-014 facility.</p> <p>Any recommended transmission enhancement or expansion, under these provisions, which includes component(s) that require public disclosure of siting prior to completing construction may only proceed in states where confidentiality provisions allow restricting access to information associated with the recommended transmission enhancement or expansion to the state commission and commission staff.</p>

- Competition to exist when:
  - Project open for competition based on existing window exemptions (<200 kV, Substation Equipment, Immediate need)
  - Solution does not disclose CIP-014 facility
  - State has confidential process for siting





# PJM Mitigation Package Proposal – Design Component #4

#	Design Components	C – PJM
4	CEII	Status Quo

- CIP-014 facilities are confidential (beyond CEII)



# PJM Mitigation Package Proposal – Design Component #5

#	Design Components	C – PJM
5	NERC CIP-014 Mitigation	PJM to work with Asset Owner to study potential solutions to identified CIP-014 facilities. PJM will select solution. Competition available, via competitive process described above

#	Design Components	C – PJM
5a	Integration with the regional plan	Mitigation projects will be integrated into the regional plan following PJM board approval.

- PJM analysis to ensure potential solution mitigates CIP-014 violation
- Project integrated into regional plan following PJM Board approval (In line with existing process for RTEP projects)



# PJM Mitigation Package Proposal – Design Component #6

#	Design Components	C – PJM
6	Oversight	All existing FERC, PJM and state authorities applicable

- Package does not intend to remove or alter existing oversight or authorities



# PJM Mitigation Package Proposal – Design Component #7

#	Design Components	C – PJM
7	CIP-014 Facility Identification Prevention	Confidentiality associated with analysis and CIP-014 assets to be maintained in accordance with CIP-014 requirements. Public Review of CMP occurs after the CMP is placed in-service.

#	Design Components	C – PJM
7a	Integration with the regional plan	Mitigation projects will be integrated into the regional plan following PJM board approval.

- Process to adhere to existing CIP-014 confidentiality requirements
- Details of project, including specific location, only provided for public review after the Project is placed in-service (effectively removing the facility from the CIP-014 list)
- Project integrated into regional plan and placed into the model following PJM Board approval (In line with existing process for RTEP projects)



# PJM Mitigation Package Proposal – Design Component #8

#	Design Components	C – PJM
8	Cost Allocation/Cost Recovery	PJM will use existing reliability cost allocation methodology for calculation of cost responsibility to be filed following completion of construction of entire recommended transmission enhancement or expansion

- The projects to follow existing cost allocation methodology
- Resilience Driver under existing Reliability Criteria
- Cost Allocation to be filed only after the entire project is complete



# PJM Mitigation Package Proposal – Design Component #9

#	Design Components	C – PJM
9	Timeline	Developed in accordance with the regional planning process.

#	Design Components	C – PJM
9a	Horizon for Identification	This process applies to all facilities identified by the Asset Owner as potential CIP-014 facilities (Except those "Less than 20" that are covered by M4)

- Mitigation process timing to respect existing CIP-014 analysis cycles and RTEP process
- Applies to all facilities identified as potential CIP-014 facilities (excluding “Less than 20”)



# PJM Mitigation Package Proposal – Design Component #9b

#	Design Components	C – PJM
9b	Process for Identified Facilities	To the extent the PJM recommended transmission enhancement or expansion would be available for competition under current PJM competitive window rules (exempted less than 200kV, substation equipment and immediate need), the project will be open to competition as part of an RFP process if the mitigating solution does not disclose the CIP-014 facility. Any recommended transmission enhancement or expansion, under these provisions, which includes component(s) that require public disclosure of siting prior to completing construction may only proceed in states where confidentiality provisions allow restricting access to information associated with the recommended transmission enhancement or expansion to the state commission and commission staff.

- Competition to exist when:
  - Project open for competition based on existing window exemptions (<200 kV, Substation Equipment, Immediate need)
  - Solution does not disclose CIP-014 facility
  - State has confidential process for siting



# PJM Mitigation Package Proposal – Design Component #10

#	Design Components	C – PJM
10	Cost Efficiency	Reliability and Resilience should be the priority while adhering to the Order 1000 principles to recommend the more efficient or cost-effective enhancements and expansions to the PJM Board for approval

- PJM to recommend the more efficient or cost-effective project respecting reliability and resilience





# PJM Mitigation Package Proposal – Design Component #11

#	Design Components	C – PJM
11	Verification of successful mitigation	PJM will perform analysis consistent with CIP-014 to verify that the project mitigates the CIP critical facility.

- PJM analysis to ensure potential solution mitigates CIP-014 violation



# PJM Package - Avoidance



# PJM Avoidance Package Proposal – Design Component #12

#	Design Components	A – PJM
12a	Resilience Driver/Criteria Analysis	PJM performs RTEP Resilience criteria analysis utilizing the cascading trees tool.
#	Design Components	A – PJM
12b	Metrics/Measurements/Factors.	Consistent with RTEP Resilience criteria analytical methods incorporated in cascading trees tool software.
#	Design Components	A – PJM
12c	Sensitivity Testing	Consistent with analysis methods as indicated in the resilience criteria analysis described above.

- PJM performs RTEP resilience analysis using cascading trees tool (Proprietary software, not shared with stakeholders)



# PJM Avoidance Package Proposal – Design Component #13

#	Design Components	A – PJM
13a	Communication Procedures	- PJM to communicate failure of project to meet resilience criteria requirements - If a project proposal violates PJM's Resilience criteria, PJM to provide verbal update with limited/restricted level of information to entity who submitted the project proposal through competitive window. Information limited to analytical results only.
#	Design Components	A – PJM
13b	Confidentiality	If project proposal violates PJM's Resilience criteria, PJM shall provide limited/restricted level of information to project proposal.

- If a proposed RTEP project fails resilience criteria requirements, PJM will communicate failure and analytical results to proposing entity only.
  - Information limited so that facility of concern is not disclosed



# PJM Avoidance Package Proposal – Design Component #13

#	Design Components	A – PJM
13c	CEII	Status Quo
#	Design Components	A – PJM
13d	Re-evaluation Process	Not Applicable

- If a proposed project fails resilience criteria, no opportunity for re-evaluation



# PJM Avoidance Package Proposal – Design Component #14

#	Design Components	A – PJM
14	Transparency	<ul style="list-style-type: none"><li>- PJM communicate failure of project to meet RTEP Resilience criteria requirements</li><li>- If a project proposal violates PJM's Resilience criteria, PJM shall provide limited/restricted level of information to entity proposing project through the competitive window.</li></ul>

- If a proposed RTEP project fails resilience criteria requirements, PJM will communicate failure and analytical results to proposing entity only.



# PJM Avoidance Package Proposal – Design Component #15

#	Design Components	A – PJM
15	Competition	Limited to proposing entities ability to mitigate initial issue identified in competitive process. No opportunity to revise a proposal submitted through a competitive window once the window closes to address issues that trigger potential violations associated with the RTEP Resilience criteria.

- No impact to existing competitive process.



# PJM Avoidance Package Proposal – Design Component #16

#	Design Components	A – PJM
16	Cost Allocation/Cost Recovery	Status Quo

- Resilience Driver under existing Reliability Criteria
- Follows existing cost allocation methodology





# PJM Avoidance Package Proposal – Design Component #17a

#	Design Components	A – PJM
17a	Roles and Responsibilities – PJM	<ul style="list-style-type: none"><li>- Performs RTEP Resilience criteria analysis with cascading trees tool</li><li>- Communicates information in accordance with confidentiality requirements as described above. E.g., release limited/restricted level of information to proposing entity.</li></ul>

- PJM analysis allows monitoring RTEP activities
  - PJM avoidance analysis protects against the creation of future CIP-014 facilities.
  - Communication is restricted based on sensitivity associated with potential project impact



# PJM Avoidance Package Proposal – Design Component #17b

#	Design Components	A – PJM
17b	Roles and Responsibilities – State Commissioners	Provide feedback consistent with the confidentiality provisions in the Operating Agreement

- Maintains processes consistent with current RTEP activates to eliminate any confusion



# PJM Avoidance Package Proposal – Design Component #17c

#	Design Components	A – PJM
17c	Roles and Responsibilities – PJM Stakeholders	Status Quo with limited/restricted level of communications to entity proposing project triggering potential violations of PJM's RTEP Resilience criteria.

- Allows limited feedback to help stakeholders understand problems caused by proposed projects
- Prevent the release of information which is sensitive in nature and inconsistent with public disclosure



# PJM Avoidance Package Proposal – Design Component #17d

#	Design Components	A – PJM
17d	Roles and Responsibilities – Asset Owners	Status quo with limited/restricted level of communications to entity proposing project triggering potential violation of PJM's RTEP Resilience criteria.

- Allows limited feedback to help stakeholders understand problems caused by proposed projects
- Prevent the release of information which is sensitive in nature and inconsistent with public disclosure

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