

Policy on the Role of the Electricity Sector – Information Sharing and Analysis Center (ES-ISAC) vis-à-vis NERC’s Compliance Monitoring and Enforcement Program

In 1998, the U.S. Secretary of Energy first asked NERC to serve as the information sharing and analysis center for the electricity sector, in implementation of Presidential Decision Directive 63, as part of a public/private partnership to address infrastructure security matters. Subsequent administrations have sought to continue and strengthen this public/private partnership through the various sector-specific information sharing and analysis centers.

The essence of the ES-ISAC’s work is contained in its name: information sharing. The ES-ISAC gathers information from the disparate electricity industry participants about security-related events, disturbances and off-normal occurrences within the electricity sector and shares that information with its partners in the government. In turn, the government provides information regarding risks, threats and warnings to the ES-ISAC, which is responsible for disseminating that information throughout the electricity sector.

Because NERC is responsible for both the ES-ISAC and the NERC Compliance Monitoring and Enforcement Program, NERC management is concerned that some electricity sector participants may be reticent to report suspicious activity or off-normal occurrences to the ES-ISAC out of a fear those matters may be referred to the Compliance Monitoring and Enforcement Program. To underscore the importance of a free flow of information to the ES-ISAC and to promote the kind of information exchange that is critical to maintaining the security of the electric system, NERC management believes it is important to affirmatively state that the ES-ISAC and ES-ISAC personnel have no responsibilities for the NERC Compliance Monitoring and Enforcement Program. Therefore, ES-ISAC personnel shall not, directly or indirectly, report or convey information about possible violations they may encounter or learn about in the course of their ES-ISAC activities to the compliance monitoring and enforcement program or to personnel assigned to that program. Similarly, compliance monitoring and enforcement personnel shall not, directly or indirectly, obtain or seek to obtain information about possible violations of Reliability Standards from ES-ISAC personnel.

NERC has sufficient other means at its disposal to address possible violations of Reliability Standards, in particular the compliance monitoring and enforcement program administered through the eight Regional Entities. That program includes a strong emphasis on self-reporting and includes as well self-certifications, audits and investigations. NERC will look to its compliance monitoring and enforcement program for any necessary compliance and enforcement activities.

In the event ES-ISAC personnel become aware of a situation where the potential actions or inactions of a user, owner or operator of the bulk power system constitute an imminent threat to the reliability of the bulk power system, ES-ISAC personnel may make whatever communications are deemed necessary to protect the reliability of the bulk power system. Such communications may be with registered entity senior management. In the rare event that such communications do not resolve the imminent threat, then ES-ISAC personnel are directed to refer the matter to the NERC General Counsel for consideration of issuance of a remedial action directive under the NERC Rules of Procedure or other appropriate action.

Any and all inquiries regarding this policy should be addressed to:

General Counsel
North American Electric Reliability Corporation
1325 G St. NW, Suite 600
Washington, DC 20005

APPROVED BY THE NERC BOARD OF TRUSTEES: March 8, 2013