REGULATORY COMPLIANCE **MANAGEMENT FOR ENERGY AND UTILITIES**

The Energy and Utility (E&U) sector is transforming as enterprises are looking for ways to replace aging infrastructure and create clean, sustainable energy for the future. Electric, gas, oil and utilities providers around the world are embracing new technologies to improve reliability and efficiency without having to increase their cost of operations. The E&U industry, which is already capital intensive, is quickly becoming of interest to regulators and government due to its scale of operations and demand.

Increased awareness of the E&U sector's risks has resulted in an effort to standardize the sector's compliance obligations, suggesting an impending flood of regulatory activity in the coming years. E&U enterprises will have to rapidly adapt to operate even more effectively in an environment of increased regulation and regulatory scrutiny. Currently this line reads, "This should not in any way make us undermine the risks associated with cyber assets." and it should be "This should not in any way make us undermine the risks associated with cyber assets.". The day-to-day operations of bulk power systems increasingly rely on cyber assets and hence makes the cyber-security of E&U infrastructure and facilities crucial. Attacks to the bulk power system, and can simultaneously impact several entities across the country. To protect these critical power assets, the E&U sector needs to focus on critical infrastructure protection (CIP) reliability standards that include:

- Establishing policies, plans, and procedures to safeguard physical and electronic access to control systems
- CIP compliance training for personnel
- Reporting security incidents
- Maintaining preparedness for recovering from a cyber-incident

NERC is designated to carry out compliance and enforce these mandatory reliability standards. Achieving compliance with NERC CIP standards, organizations need to establish a proactive security compliance management program and deploy effective security management.

MAJOR CHALLENGES

- Addressing changes in regulatory trajectories by building flexibility in compliance plans
- Accurately understanding regulations in order to analyze potential risks on a case-by-case basis
- Addressing new requirements around NERC CIP version 5
- Facilitating data surveillance in order to pre-emptively identify problems –(NERC strongly encourages voluntary reporting of potential violations)
- Ensuring higher standards of compliance evidence management
- Establishing common metrics and analytical methods for tracking performance and effectiveness
- Creating a novel toolset and knowledge base for Cyber security
- Accurately estimating the high cost of audit and compliance sustenance in an already capital intensive sector

HCL GOVERNANCE, RISK & COMPLIANCE SERVICES

HCL's GRC team aids enterprises via a comprehensive program of capabilities that enable them to stay compliant to CIP standards in a cost effective and timely manner. The spectrum of our services cover the complete gamut of CIP standards, there-by providing a robust solution to support reliable operations of E&U entities. Our GRC team is well-versed in the nuances of these standards and their implications.

NERC CIP RISK MANAGEMENT

Each of our GRC E&U engagement begins with a thorough (or iterative) environmental assessment and a FERC/NERC cyber risk-specific gap analysis. This initial assessment ranks and highlights the client enterprise's security related vulnerabilities against industry benchmarks and FERC/NERC specifications. With this information we help enterprises determine where and how much to investment in and develop an accurate timeline for completing the project.

HCL's GRC CIP Gap Analysis, Risk Assessment and Cyber Vulnerability Assessments looks at an enterprise's security, holistically and identifies the current operations and practices that requires its network access points and cyber assets protected. We then assess its effectiveness against industry standards. Our analysts organize vulnerabilities by class and assign a prioritized risk rating. We later inform the enterprise of its current risk, and give it customized priorities for moving toward an improved security posture and thereby protecting your power grid from attack. These assessments helps an enterprise stay on track to meet its compliance requirements, while opening its eyes to existing security weaknesses.

Our end-to-end E&U engagement addresses specific FERC/NERC CIP gaps through streamlined implementation plans, world-class security skills, proven industry expertise and intellectual capital, and overall project management skills.

NERC CIP COMPLIANCE TRAINING PROGRAM

HCL's GRC team with its domain and project management knowledge has developed training and awareness management programs that involve conducting security awareness evaluations & employee assertion plans along with role based trainings specifically designed to address NERC/FERC CIP awareness. Security awareness training plans are developed in alignment with CIP and other industry specific standards. The training material needs are assessed as per standard CIP-004. GRC utilizes a highly interactive and practical training approach that encourages dialogue on important questions regarding existing and emerging rules. We also conduct refresher programs as well as annual updates and routinely address new developments as requested.

NERC CIP AUDIT MANAGEMENT

As a part of simplifying the client's regulatory management activities HCL GRC conducts proactive internal audits which are based on NERC CIP audit plans which include reports to assist the client in regulatory reporting requirements. HCL has defined a methodology for the periodic internal assessment of various service delivery and service support functions/processes. The assessment involves evaluating different OMCs on the basis of specific parameters that form the part of Service Delivery Excellence Matrix. We also provide optional external audit support to its clients. Our NERC CIP compliance audits identify security risks and non-compliance issues and effective mitigation steps. At the back end of our process, we provide extensive knowledge transfer including NERC CIP training. We create an audit plan for NERC CIP tailored to each client's specific needs and provide NERC CIP training.

NERC CIP COMPLIANCE PROGRAM – AUTOMATION ADVISORY

E&U executives today are faced with many challenges as they work to meet their compliance requirements. Some of the most pervasive and difficult of these obstacles include:

- Multiple regulatory bodies and requirements

- High cost of defining controls & demonstrating compliance

- Budget impacts of NERC and other regulatory efforts

- Allocation of resources in non-key business initiatives

- Difficulty with ongoing sustainability of ad-hoc compliance projects

In order to mitigate these challenges & offer a streamlined sustenance for compliance, HCL with various GRC platform vendors help Energy & Utilities enterprises establish an automated solution for optimal blend of centralization, monitoring & reporting for effective oversight. The GRC platform can also be used for implementing governance initiatives through document control, compliance training and ongoing auditing, as well as recording and reporting of NERC-related violations or process non-conformance and the resulting corrective actions.

Basic features of the automated GRC platform

Capturing, Compiling & Reporting Compliance Information

Dynamic Real time analysis of Risk & Controls

Single Global Repository for Risk & Controls

Integrated Industry Standard Framework for Control Optimization

Role based dashboards to manage Control Remediation

Integration with enterprise business systems for audit evidence collection

HCL'S GRC ADVANTAGE

End to end "Advisory" & "Implementation" services

Comprehensive information security & compliance services

Matured consulting framework

Integrated solution implementation

Strong industry specific engineering, research and development practice

Expertise across all Energy & Utilities micro verticals

Experienced consultants with multiple certifications

CONTACT US

Links:
http://www.hcltech.com/it-infrastructure-management/governance-risk-and-compliance-consulting

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