

Agenda

Project Management and Oversight Subcommittee (PMOS) Meeting

June 13, 2018 | 8:00 – 10:00 a.m. Eastern

Dial-in: 1-415-655-0002 | Access Code: 858 128 721 | Meeting Password: 061318

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Agenda Items

1. **Review June 13 Agenda - (Approve)** (C. Yeung)
2. **Consent Agenda – (Approve)** (C. Yeung)
 - a. April 25, 2018 Project Management and Oversight Subcommittee Meeting Notes*
3. **Review of Prior Action Items – (Review)** (S. Barfield-McGinnis)
4. **Project Tracking Spreadsheet (PTS) – (Review)**
 - a. 2015-09 – Establish and Communicate System Operating Limits – **(Update)** (K. Lanehome)
 - b. 2015-10 – Single Points of Failure TPL-001 – **(Update)** (M. Pratt)
 - c. 2016-02 – Modifications to CIP Standards – **(Update)** (K. Lanehome, A. Mayfield, or K. Rosener)
 - i. Directives and Control Center Communication Networks
 - ii. TO Control Centers performing TOP obligations
 - iii. Version 5 TAG, Cyber Asset and BES CA (BCA) definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances
 - d. 2017-01 – Modifications to BAL-003-1 – **(Update)** (A. Casuscelli or L. Lynch)
 - e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – **(Update)** (M. Brytowski)

¹ When joining the web portion, start with the web link first. Once logged in, a dialog box will open with all numbers or an option for WebEx to call your number. More importantly, it will give you your ATTENDEE ID#. Please use that number, if calling in, when prompted to do so. It links your web session to the caller on the phone.

- f. 2017-03 – Periodic Review of FAC-008-3 Standard – **(Update)** (M. Pratt)
 - g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **(Update)** (C. Yeung)
 - h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **(Update)** (C. Bellville or A. Casuscelli)
 - i. 2017-06 – Modifications to BAL-002-2 – **(Accept Baseline)** (K. Lanehome)
 - j. 2017-07 – Standards Alignment with Registration – **(Update)** (M. Brytowski)
 - k. 2018-01 – Canadian-specific Revisions to TPL-007-2 – **(Assign Liaison)**
5. **Standards Efficiency Review (Update)**
- a. Real-time Operations (M. Brytowski or M. Pratt)
 - b. Operations Planning (A. Casuscelli)
 - c. Long-term Planning (L. Lynch)
6. **Achieving Quorum for Ballots**
7. **Other**
- a. Next meeting – Conference Call via WebEx, moved from July 25, 2018 to July 18 from 11:00 a.m. to 12:30 p.m. Eastern to occur prior to the Standards Committee call.
8. **Adjournment**

*Background materials included.

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Public Announcements

REMINDER FOR USE AT BEGINNING OF MEETINGS AND CONFERENCE CALLS THAT HAVE BEEN PUBLICLY NOTICED AND ARE OPEN TO THE PUBLIC

For face-to-face meeting, with dial-in capability:

Participants are reminded that this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. The notice included the number for dial-in participation. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

Meeting Notes

Project Management and Oversight Subcommittee (PMOS)

April 25, 2018 | Noon to 1:30 p.m. Eastern

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 12:01 p.m. Eastern. The chair provided the subcommittee with opening remarks and welcomed members and guests. The PMOS is composed of industry stakeholders where the chair or vice chair must be a member of the Standards Committee (SC) and the SC leadership are non-voting members of the PMOS. The following were in attendance:

Members included: Colby Bellville, Michael Brytowski (vice chair), Amy Casuscelli (SC vice chair), Ken Lanehome, Ash Mayfield, Kirk Rosener, and Charles Yeung (chair).

Observers included: Scott Barfield-McGinnis (Secretary), Rachel Coyne, Quinn Morrison, and Guy Zito.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were reviewed by the Secretary. There were no questions.

Agenda Items

1. Review of Agenda

C. Yeung reviewed the agenda with members and attendees.

2. Consent Agenda

The agenda and PMOS March 15, 2018 Meeting Notes were approved by consent.

3. Review of Prior Action Items

S. Barfield-McGinnis reported on the following items from the March 15, 2018 in-person meeting:

- a. Provide PMOS members with a plan for connecting Reliability Guidelines and Implementation Guidance that is associated with Standards. The Standards Technical Advisors will determine viable approaches. S. Barfield reported this is ongoing as the advisors formulate a process in Standards. (On going)
- b. Send PMOS members an email seeking participants for each Standards Efficiency Review (SER) team. These will involve a conference call every other week. L. Lynch volunteered for the Long-term Planning team, M. Brytowski and M. Pratt also volunteered for Long-term Planning; however, no one has volunteered for Operations Planning. C. Yeung agreed to follow Operations Planning during this meeting. (Complete)
- c. M. Pratt had the developer for 2015-10 correct the final ballot, board, and filing dates in the Project Tracking Spreadsheet (PTS). (Complete)

- d. Project 2016-02 – The control center reference needs to be moved to 2016-02 “c” in the PTS. (Complete)
- e. Archive 2016-04 once filed with regulatory authorities. (Complete)
- f. Update 2017-01 to the new developer, Laura Anderson. (Complete)
- g. A. Casuscelli planned to have the team provide a baseline schedule for 2017-01 Modifications to BAL-003-1 (On going)
- h. K. Lanehome planned to have the team provide a baseline schedule for 2017-06 Modifications to BAL-002-2 (Ongoing)

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits – K. Lanehome reported a meeting is scheduled for May 7-9, 2018 in Atlanta. The team has been working on finalizing FAC-011 Mapping and Rationale documentation, as well as Violations Risk Factors and Violation Severity Level (VRF/VSL) justifications for FAC-011, -014, and -015. Regulatory staff following the project has questioned the retirement of FAC-010 because there are existing standards that reference the Planning Horizon use of System Operating Limit and Interconnection Operating Limit (SOL/IROL) values that would be going away with the proposed retirement. NERC staff R. Quint is championing the IROL effort, and based on the splitting of SOL and IROL, the IROL portion of the project in the PTS will be made a “B” part of 2015-09. Also, the developer will need to be updated from K. Street to D. Richardson.
- b. 2015-10 – Single Points of Failure TPL-001 – C. Yeung provided a report for M. Pratt. The second comment and ballot period closed on Monday, April 23, 2018, but no details are available yet. The team expects to move to final ballot unless it fails or there are substantive revisions.
- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards –
 - i. CIP-002: This standard and the proposed control center definition are out for comments and separate ballots until April 30. There seems to be concern within the industry that the proposed Control Center definition may unintentionally bring some people into the training requirements of PER-005. The standard drafting team (SDT) is working to address this issue by the next meeting. A meeting is scheduled for May 8-11 in Austin. The first two days will be used for addressing the comments that close April 30, 2018.
 - ii. CIP-012: Posted contemporaneously with CIP-002.
 - iii. Virtualization: K. Lanehome reported that confidence is not high that all of the virtualization tasks previously identified by the team will be successfully completed by August 2018. He is currently monitoring to see what is accomplished by the end of the May 8-11, 2018 meeting before working with K. Lanehome in preparing an appropriate response for this concern to the SC. The SC authorized solicitation of additional SDT members. Nominations for additional team members are open through May 23, 2018 concerning virtualization. This may cause a delay in the project timing. The last two days of

the meeting will be for Virtualization. The team has been focused on what types of changes or implementation guidance will be needed with each existing CIP standard to address how Virtualization should be handled. Part “C” of the project will require a baseline schedule following the additional appointment of members to the team.

- d. 2017-01 – Modifications to BAL-003-1 – A. Casuscelli reported that at the last SC meeting, the SC approved additional SDT members to represent the generation segment to cover the potential extended applicability to generators. The SC also accepted a Standard Authorization Request (SAR) that consolidates two previous SARs and incorporates industry comments previously received. The SDT met the week of April 23 and developed small groups to address the Phase 1 items identified in the SAR. The next SDT meeting is tentatively scheduled for the first week in June. A baseline schedule is being drafted by the standards developer.
- e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – M. Brytowski. The final ballot ended April 12, 2018. The results for PER-003-2 was passing with 96.6 percent industry approval and the Implementation Plan passed with 97.9 percent industry approval. The PER-003-2 standard and the implementation plan will be submitted to the NERC Board of Trustees for approval and filed with FERC. The PER-004-2 standard will be retired upon the implementation of PER-003-2, which is the first quarter six months after regulatory approval.
- f. 2017-03 – Periodic Review of FAC-008-3 Standard – C. Yeung reported on behalf of M. Pratt that on February 19, 2018, a white paper summarizing the conclusions of the Periodic Review Team (PRT) and the final report (with recommendation) were submitted for consideration for the March 15, 2018 SC meeting.
- g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported that the response to comments are complete. Comments were in favor of the recommendations being made by PRT members, which is to retire one standard and drop terms which are unclear in the standards. Periodic Review of a subset of the INT Standards will provide the SER team members with the initial recommendations of the INT PRT, as well as all associated documents this week. No future meetings or postings expected for now. Project 2017-04 will then be placed on hold pending SER team recommendations/findings. No recommendations have been made to the SC.
- h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – C. Bellville reported that the PRT held a conference call last month on March 19, 2018. The team has reviewed industry comments, re-reviewed the Periodic Review Template, and determined that their final recommendation for the standard is Yellow (REVISE: The standard is sufficient to protect reliability and meet the reliability objective of the standard; however, there may be future opportunity to improve a non-substantive or insignificant quality and content issue). It was decided during the March call that the standards developer will clean up the template where necessary, and proceed in sending to the SC with the team’s final recommendation.
- i. 2017-06 – Modifications to BAL-002-2 – K. Lanehome reported that the initial ballot is open until May 7, 2018. Currently there are no issues submitted by industry. The project doesn’t

have a baseline yet due to the SDT believing there is a simple fix that is already complete and pending the approval processes. The team will setup the next meeting once the initial ballot completes.

- j. 2017-07 – Standards Alignment with Registration – M. Brytowski. On April 18, 2018 the SC: accepted the SAR developed by this team; authorized the revisions to the Reliability Standards as presented in the project SAR; and authorized posting for nomination for Project 2017-07 SDT Team for a 14-day nomination period. The posting for nominations is anticipated the week of April 23, 2018.

5. Standards Efficiency Review Update

- a. Real-time Operations – M. Brytowski or M. Pratt reported
- b. Operations Planning – C. Yeung accepted the task to follow Operations Planning.
- c. Long-term Planning – L. Lynch provided an update on the team’s activities noting they should be finished on or before the end of May 2018. At the upcoming in-person meeting for all the SER teams on May 30-31 in Kansas City at Kansas City Power & Light’s headquarters, the Long-term Planning team will be providing their recommendations for retirements of certain Reliability Standards requirements and any associated SARs.

6. Other

- a. No meeting in May 2018.
- b. The next PMOS meeting will be in-person at NERC on Wednesday, June 13, 2018 at 8:00 a.m. Eastern.

7. Action Items

- a. Create a “B” project for 2015-09 in the PTS to address IROLs (S. Barfield)
- b. Update the Standards Developer for 2015-09 (S. Barfield)
- c. Update 2015-10 project schedule based on whether going to additional ballot or final ballot once results are posted (S. Barfield)
- d. Add an item to the in-person June PMOS meeting agenda to address SER reconciliation with open projects (S. Barfield)
- e. Add C. Yeung as the PMOS Liaison for Project 2018-01 (S. Barfield)
- f. Add C. Yeung as the PMOS Liaison for the SER Operations Planning subgroup (S. Barfield)

8. Adjournment

- C. Yeung adjourned the meeting at 1:01 p.m. Eastern by consent.