

Agenda

Project Management and Oversight Subcommittee (PMOS) Meeting

September 13, 2018 | 8:00 – 10:00 a.m. Pacific

Sacramento Municipal Utility District (SMUD) – Rubicon Room
6301 S Street
Sacramento, CA 95817

Dial-in: 1-415-655-0002 | Access Code: 733 707 272 | Meeting Password: 091318

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. **July 18 Meeting Minutes – Approve** (C. Yeung)
2. **Consent Agenda – Approve** (C. Yeung)
 - a. August 18, 2018 Project Management and Oversight Subcommittee Meeting Notes*
3. **Prior Action Items – Review** (S. Barfield)
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 – **On Hold**
 - d. 2017-01 – Modifications to BAL-003-1 – **Review** (A. Casuscelli or L. Lynch)

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.

- e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – **Archive** (M. Brytowski)
 - f. 2017-03 – Periodic Review of FAC-008-3 Standard – **On hold** (M. Pratt)
 - g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **On hold** (C. Yeung)
 - h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **On hold** (C. Bellville or A. Casuscelli)
 - i. 2017-06 – Modifications to BAL-002-2 – **Archive** (K. Lanehome)
 - j. 2017-07 – Standards Alignment with Registration – **Accept Baseline** (M. Brytowski)
 - k. 2018-01 – Canadian-specific Revisions to TPL-007-2 – **Accept Baseline** (C. Yeung)
 - l. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – **New – Assign Liaison**
- 5. Other**
- a. Review PMOS Member work load
 - i. Potential project(s) – PRC-024, Periodic Review
 - b. SER Phase II
 - c. Review roster
 - d. New meeting – conference call on Wednesday, October 31, 2018 at 12:00 p.m. Eastern.
 - e. Other
- 6. 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)

July 18, 2018 | 11:00 a.m. – 12:30 p.m. Eastern

Introduction and Chair's Remarks

Vice chair M. Brytowski called the meeting to order at 11:00 a.m. Eastern. The vice chair provided the subcommittee with opening remarks and welcomed members and guests.

Note: The Project Management and Oversight Subcommittee (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: Charles Yeung (PMOS chair), Michael Brytowski (PMOS vice chair), Colby Bellville, Ken Lanehome, Linda Lynch, Mark Pratt, and Kirk Rosener.

Observers included: Scott Barfield-McGinnis (Secretary), Marisa Hecht, and Soo Jin Kim.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were presented and reviewed by the vice chair. The Secretary noted the full antitrust guidelines and public announcement were provided in the agenda package to each member via email and posted on the PMOS webpage. There were no questions.

Agenda Items

1. Review of Agenda

M. Brytowski reviewed the agenda with members and attendees.

2. Consent Agenda

The agenda and PMOS June 13, 2018 Meeting Notes were approved by consent.

3. Review of Prior Action Items

S. Barfield-McGinnis reported on the following items from the June 13, 2018 in-person meeting:

- a. Populate the projected/actual dates for Project 2015-09 according to the developer's (i.e., D. Richardson) expected schedule going forward (S. Barfield) (Complete)
- b. Request the Project 2015-10 Standard Drafting Team (SDT) review the Methods for Establishing IROLs Task Force (MEITF) document call "[Reliability Guideline on Methods for Establishing IROLs](#)" to determine if there is any value in the approaches. (S. Kim and M. Pratt) (Complete)
- c. Provide messaging in the upcoming Standard Efficiency Review (SER) webinar on the approach to retiring requirements. For example, will retirements be a strike through to preserve

requirement numbering, will standards increment by a version, or will red text be provided in the current version to denote retirement as done in previous projects (i.e., [Project 2013-03 Paragraph 81](#)). (S. Barfield) (Complete)

- d. Append change control entry on the three 2016-02 CIP projects to reflect Mat Bunch is no longer a developer on the projects. (Complete)

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits – K. Lanehome reported that SDT has finalized documents for posting. All three Facilities Design, Connections, and Maintenance (“FAC”) Reliability Standards (i.e., FAC-011-4, FAC-014-3, and FAC-015-1) and six Reliability Standards (i.e., CIP-014-3, FAC-003-5, FAC-013-3, PRC-002, PRC-023-5 and PRC-026-2) affected by the retirement of FAC-010 will be posted on July 30, 2018. Reliability Standard CIP-002-5.1a edits are still pending agreement between this SDT and the Project 2016-02 SDT and will be posted by the Project 2016-02 SDT.
- b. 2015-10 – Single Points of Failure (SPOF) TPL-001 – M. Pratt reported the SDT had an in-person meeting at NERC (Atlanta) office, June 26-28, 2018. They finalized responses to industry comments received during the previous ballot period that ended April 23, 2018. The SDT completed modifications to the draft TPL-001-5 Reliability Standard for the known outage selection related to FERC Order 786, ¶140 as well as making Footnote 13 clarifications.

The SDT revised the Implementation Plan timeline to a three-part, phased approach that allows a 36 month initial study period to identify/study single points of failure (SPOF), 24 months to develop Corrective Action Plans (CAPs), 48 months to implement CAPs and meet all of the Table 1 performance requirements for P5 Events involving SPOFs. There is concern within the SDT that some longer lead time projects may result in instances of non-compliances for Planning Coordinators at and beyond the full 108-month (i.e., 36+24+48 months) implementation period proposed by the Implementation Plan. For example, a Planning Coordinator (PC) is not in control of the budgeting, scheduling and execution of the CAPs. The proposed TPL-001-5 standard is not applicable to a Transmission Owner or Generator Owner that would have such control.

The NERC Quality Review (QR) was completed during the week of July 9, 2018. The SDT currently anticipates the following next steps:

Conference call to address Quality Review items:	July 17, 2018
Additional Comment/Ballot Period (45-day):	July 30-September 13, 2018
In-person meeting to address industry comments:	September 2018
Final ballot posting:	October 2018
NERC BOT adoption:	November 2018

- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Lanehome reported:
 - i. CIP-012-1 & Control Center definition: The previous comment and ballot period closed with a passing approval of 68.45%. The SDT has worked on clarifying the exemption language as

some entities requested in the previous comment period. There is also a change from “or” to “and” in a section about mitigating the risk of unauthorized disclosure of data and unauthorized modification of data during transmission. These changes may be considered substantive, thus requiring an additional posting and ballot rather than a final ballot.

- ii. CIP-002-5.1a: Edits to this Reliability Standard have been worked on by both the CIP and Project 2015-09 SDTs to remove Interconnection Reliability Operating Limits (IROLs) from elevating a site from a low impact Bulk Electric System (BES) Cyber System rating to a medium impact BES Cyber System rating. Both SDTs are finalizing the language and planning to put it out for a comment and ballot.
 - iii. CIP-003: In Quality Review and the target completion date is July 25, 2018.
 - iv. Virtualization: The SDT is working on updating language to most of the standards (CIP-005, CIP-007, and CIP-010) to make them more objective-based rather than prescriptive. The SDT is in the early stages of determining where the bar is between allowing entities judgement in meeting the security goals with the goal of establishing an appropriate level of security and clarity when it comes to auditing. Initial posting is planned for September 13, 2018 followed by a 1-day virtualization workshop on September 20, 2018 in Dallas, Texas. The final ballot is projected for May of 2019.
- d. 2017-01 – Modifications to BAL-003-1 – L. Lynch on behalf of A. Casuscelli reported the SDT has been focused on Phase I to minimize the administrative burden for reporting. In addition to addressing reporting, they have eliminated two pages in Attachment A, changed the timeline for reporting, and have made major modifications to the “Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard.”

In Phase II, the SDT plans to focus on the allocation process as a total, and re-examine the calculations in the “Adjustments to Interconnection Frequency Response Obligations (IFRO)” table.

After the next 2-day meeting in Portland, Oregon on August 28-29, 2018, the SDT plans to post informally for comments in early September 2018 to explore what the industry response is to the proposed changes, and to solicit additional industry feedback. The PMOS accepted the proposed baseline submitted by the SDT.

- e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – M. Brytowski reported the Standards went to the Board for adoption and is currently pending regulatory filing. The project will be archived after filing the petition.
- f. 2017-03 – Periodic Review of FAC-008-3 Standard – M. Pratt reported that the PRT recommendations are complete; however, the recommendation is on hold pending results of the SER Team recommendations.
- g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported that the PRT recommendations are complete; however, the recommendation is on hold pending results of the SER Team recommendations.

- h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – C. Bellville reported that the PRT recommendations are complete; however, the recommendation is on hold pending results of the SER Team recommendations.
- i. 2017-06 – Modifications to BAL-002-2 – K. Lanehome reported that the final ballot posting ended July 16, 2018. The standard has passed with about 84% approval.
- j. 2017-07 – Standards Alignment with Registration – M. Brytowski reported that the Standards Committee (SC) appointed the standards drafting team on June 13, 2018. The SDT will have its kick-off meeting August 1-2, 2018.
- k. 2018-01 – Canadian-specific Revisions to TPL-007-2 – C. Yeung reported that the SDT has been appointed by the SC and the first meeting will be July 31-August 1, 2018 in Montreal, Quebec, Canada. The SDT will host a conference call on July 23, 2018.

5. Other

- a. Standards Efficiency Review Update
 - i. The single Standard Authorization Request (SAR) that includes all three team's recommendations posting ended July 10, 2018. The next public meeting will be a WebEx-based call on Monday, July 23 at 9:00 a.m. Eastern. M. Brytowski reported the following on the SER project: (1) Phase I (retirements) posting for informal comment period for the SAR ended on July 10, 2018; (2) The SER team will review all responses received during the comment period and determine the next steps of the project; (3) The plan is to submit the SAR to the SC for NERC Board approval in August 2018; and, (4) Phase II ("Alternatives to Retirement") schedule is to be determined.
- b. The next PMOS meeting will be in-person on September 13, 2018 at the Sacramento Municipal Utility District (SMUD) in Sacramento, California. The meeting will start promptly at 8:00 a.m. local time. The SC meeting will follow immediately after the PMOS meeting at 10:00 a.m. local time.

6. Action Items

- a. 2015-09 – Update the posting timeline noted in the report.
- b. 2017-01 – Modifications to BAL-003-1 – S. Barfield to update the PTS with the accepted baseline schedule.
- c. Confirm C. Yeung is a member of the 2017-04 periodic review team email distribution list.
- d. Distribute details of the September 2018 PMOS in-person meeting in Sacramento, CA.

7. Adjournment

M. Brytowski adjourned the meeting at 11:40 a.m. Eastern by consent.