

## Minutes

# Standards Oversight and Technology Committee

February 8, 2017 | 11:00 a.m.–12:00 p.m. Pacific

Westin San Diego  
400 West Broadway  
San Diego, CA 92101

Mr. Kenneth G. Peterson, Chair, called to order a duly noticed meeting of the Standards Oversight and Technology Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC”) on February 8, 2017, at 11:00 a.m. Pacific, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

### Members

Kenneth G. Peterson, Chair  
Paul F. Barber  
Kenneth W. DeFontes, Jr.  
Frederick W. Gorbet  
David Goulding  
George Hawkins

### Board Members

Janice Case  
Gerry W. Cauley, President and Chief Executive Officer  
Robert G. Clarke  
Jan Schori  
Roy Thilly

### NERC Staff

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary  
Tina Buzzard, Associate Director  
Howard Gugel, Senior Director of Standards  
Stan Hoptroff, Vice President and Chief Technology Officer  
Mark Lauby, Senior Vice President and Chief Reliability Officer  
Ken McIntyre, Vice President of Standards and Compliance  
Marcus Sachs, Senior Vice President and Chief Security Officer  
Janet Sena, Senior Vice President and Director of Policy and External Affairs  
Michael Walker, Senior Vice President and Chief Financial and Administrative Officer

### NERC Antitrust Compliance Guidelines

Mr. Peterson directed the participants’ attention to the NERC Antitrust Compliance Guidelines included with the agenda materials, and stated that any additional questions regarding these guidelines should be directed to Mr. Berardesco.

### Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the November 1, 2016 meeting as presented at the meeting.

**Standards Oversight and Technology Committee Self-Assessment Results**

Mr. Peterson reviewed the self-assessment results, which were included in the advance agenda package. He asked the Committee to consider whether there should be a future question regarding Committee oversight of cost effectiveness in standards.

**ERO Enterprise IT Application Strategy Update**

Mr. Hoptroff provided an overview of the ERO Enterprise IT Application Strategy, referencing the detailed materials that had been included in the advance agenda package. He reviewed the status of ERO Enterprise IT projects, E-ISAC IT projects, and NERC corporate IT projects. Mr. Hoptroff discussed the cost/benefit analysis being utilized, focusing on six factors. He reviewed the timeline for projects and priorities for future years. Mr. Peterson noted that the Committee would likely discontinue the use of the Committee's IT subgroup, as there is enhanced visibility for the entire Committee into the status of projects.

**Functional Model**

Mr. Gugel provided an overview of efforts to review the NERC Functional Model. He discussed the development and use of the Functional Model in the context of changes in the industry structure, and outlined the different functions included in the Model. Mr. Gugel summarized the work of the Function Model task force to this point, and noted that additional input is necessary. At this time, management is recommending the focus be on aligning terms across the various ERO documents. The Committee, in discussing the update, provided general support for the management recommendation.

**Cyber Security Supply Chain Management Standard**

Mr. Gugel provided an update on the development of the cyber security supply chain standard, including the required filing date in September, the status of balloting, the draft requirements, and the plan to bring the standard to the Board for approval at its August meeting. The Committee engaged in a discussion of aspects of the draft standard.

**Guidelines and Technical Basis**

Mr. Gugel provided an overview of the Guidance and Technical Basis ("GTB") information included as background for some standards, noting that the purpose of GTB was to allow a standard drafting team to articulate the technical basis for requirements, but not to provide specific guidance on compliance with requirements. He noted that GTB can be a useful tool for standard drafting team, but that there should be additional clarity around its use, and management is working with the Standards Committee to provide that clarity. Mr. McIntyre noted that there is always an opportunity for a stakeholder to use GTB as the basis for a submission of potential Implementation Guidance.

**Reliability Standards Quarterly Status Report**

Mr. Gugel presented the Reliability Standards Quarterly Status Report, referencing the detailed materials that had been included in the advance agenda package. He reviewed the status of FERC standards-related directives, the schedule for submission of standards to the Board during 2017 and the trend in the number of actual requirements in standards.

**Adjournment**

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,

A handwritten signature in black ink, appearing to read 'Charles A. Berardesco', written in a cursive style.

Charles A. Berardesco  
Corporate Secretary

# Agenda

## Standards Oversight and Technology Committee

February 8, 2017 | 11:00 a.m.-12:30 p.m. Pacific

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San Diego, CA 92101

Conference Room: Emerald Ballroom (2nd floor)

### Call to Order

### Introductions and Chair's Remarks

### NERC Antitrust Compliance Guidelines

### Agenda Items

1. **Minutes\* — Approve**
  - a. November 1, 2016 Meeting
2. **Standards Oversight and Technology Committee Self-Assessment Results\* — Review**
3. **ERO Enterprise IT Application Strategy Update\* — Review**
4. **Functional Model\* — Update**
5. **Cyber Security Supply Chain Management Standard\* — Update**
6. **Guidelines and Technical Basis\* — Update**
7. **Reliability Standards Quarterly Status Report\* — Review**
8. **Adjournment**

\*Background materials included.