

Meeting Minutes Compliance Committee

November 8, 2017 | 10:15–11:15 a.m. Central

JW Marriott New Orleans
614 Canal Street
New Orleans, LA 70130

Janice B. Case, Chair, called to order the duly noticed meeting of the Board of Trustees Compliance Committee (BOTCC) of the North American Electric Reliability Corporation (NERC) on November 8, 2017, at approximately 10:15 a.m. Central, and a quorum was declared present.

Present at the meeting were:

Committee Members

Janice B. Case, Chair
Frederick W. Gorbet
David Goulding
Jan Schori
Roy Thilly

Board of Trustees Members

Gerry W. Cauley, President and Chief Executive Officer
Robert G. Clarke
Kenneth W. DeFontes, Jr.
George S. Hawkins

NERC Staff

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Associate Director to Office of the President and Chief Executive Officer
Andrea Koch, Senior Director of Reliability Assurance
Ken McIntyre, Vice President and Director of Standards and Compliance
Sonia Mendonça, Vice President, Deputy General Counsel, and Director of Enforcement
Tobias Whitney, Principal, Critical Infrastructure Protection

NERC Antitrust Compliance Guidelines

Ms. Case directed the participants' attention to the NERC Antitrust Compliance Guidelines.

Minutes

Upon motion duly made and seconded, the BOTCC approved the August 9, 2017, meeting minutes as presented.

Follow-up Regarding Action Items from Prior Meeting

Ms. Case provided an overview of the November 7, 2017, Executive Session.

Policy Input Regarding ERO Enterprise Compliance Monitoring and Enforcement Program Alignment Efforts

Mr. McIntyre updated the BOTCC on the ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) alignment efforts, noting that issues have been submitted through the new Consistency Tool. He discussed policy input received from the Member Representatives Committee, noting strong support for the program alignment design. He explained the continued outreach to industry and transparency efforts.

Mr. McIntyre stated that quarterly updates will continue to be provided to the BOTCC. The quarterly updates will discuss the effectiveness of the CMEP alignment efforts in 2018.

Ms. Case agreed to conduct an evaluation of the program and Consistency Tool in one year.

Critical Infrastructure Protection Activities

Mr. Whitney presented on the activities and observations to date of industry's implementation of the new cyber and physical Reliability Standards. He explained that NERC worked with the Regional Entities to conduct a study, which was submitted to the Federal Energy Regulatory Commission (FERC) in July 2017 that identified the strengths and challenges of the Critical Infrastructure Protection (CIP) Version 5 remote access controls. NERC also performed an analysis of whether High Impact Control Centers should receive the CIP-014 protections in response to a FERC Order and filed the report in October 2017.

Mr. Whitney discussed NERC's annual report on the effectiveness of the Technical Feasibility Exception (TFE) Program filed with FERC. The report identified a significant reduction in the quantity of TFEs as the result of Version 5 of the CIP Reliability Standards taking effect.

CMEP Quarterly Report

Ms. Mendonça and Ms. Koch discussed highlights regarding third quarter CMEP activities. Ms. Mendonça explained that NERC staff began its oversight process review to evaluate the effectiveness of Regional Entity practices associated with the mitigation of noncompliance with Reliability Standards. Ms. Mendonça also updated the BOTCC on the Consolidated Hearing Process, noting that revisions to the proposed hearing process will be posted for public comment in November 2017 and for NERC Board of Trustees approval in February 2018. She also reviewed new metrics related to the severity of noncompliance and repetitiveness of serious and moderate risk noncompliance.

Ms. Koch updated the BOTCC on various NERC compliance activities. She reported on Regional Entity Inherent Risk Assessment (IRA) completion, noting IRAs are complete for all Reliability Coordinators, Balancing Authorities, and Transmission Operators. Ms. Koch described the enhanced Internal Controls Guide and reported on additional outreach efforts, including a survey related to the coordinated oversight program.

Adjournment

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

Submitted by,



Sonia Mendonça
Acting Corporate Secretary