

Minutes Compliance Committee

August 12, 2015 | 10:00 a.m. Eastern

The Ritz-Carlton Toronto
181 Wellington Street West
Toronto, ON M5V 3G7 Canada

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 August 12, 2015, at approximately 10:00 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

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

Board of Trustees Members

Gerry W. Cauley, President and Chief Executive Officer
Paul F. Barber
Robert G. Clarke
George S. Hawkins
Kenneth G. Peterson

NERC Staff

Valerie Agnew, Senior Director of Reliability Assurance
Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Sonia Mendonça, Vice President of Enforcement and Deputy General Counsel
Steven Noess, Director of Compliance Assurance

Regional Entity Management Group

Carter Edge, Director, Coordinated Activities

NERC Antitrust Compliance Guidelines

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

Chair's Opening Remarks

Ms. Case highlighted current trends in enforcement and compliance, including the progress in the implementation of the risk-based Compliance Monitoring and Enforcement Program (CMEP).

Follow-up Regarding Action Items from Prior Meeting

Ms. Case reviewed the status of the action items from the May 6, 2015, Open meeting. She noted that the Critical Infrastructure Protection Version 5 Transition items would be discussed during the August 12, 2015,

Member Representatives Committee (MRC) meeting and the Multi-Region Registered Entity Program update would be provided at the May 2016 BOTCC Open meeting.

Minutes

Upon motion duly made and seconded, the BOTCC approved the May 6, 2015, meeting minutes as presented at the meeting.

CIP-014 Implementation

Mr. Noess provided an update to the BOTCC on NERC's key activities supporting implementation of CIP-014-1. He clarified that while NERC's original approach was to provide guidance for each requirement, in response to policy input, NERC is evaluating and coordinating with stakeholder groups on the need for any additional formal guidance regarding the Standard. Additionally, NERC is continuing to coordinate with other industry groups such as the North American Transmission Forum on their efforts.

Risk-Based Registration

Ms. Agnew updated the BOTCC on phase II of the Risk-Based Registration initiative. She highlighted that NERC is considering multiple options to align the registration of entities with the different levels of risk to the reliability of the bulk power system. NERC also seeks to ensure that compliance obligations are commensurate with risk, specifically for Generator Owners, Generator Operators, Transmission Owners, and Transmission Operators.

Regional Consistency Tool

Mr. Edge updated the BOTCC on the use of the Regional Consistency Tool. He highlighted that 16 issues, representing both known and newly identified areas for improvement, had been received, processed, and posted on the Regional Consistency Tool website.

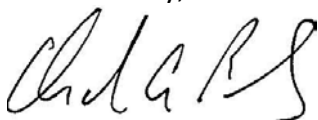
Key Compliance Assurance and Enforcement Metrics

Ms. Mendonça presented the current compliance assurance and enforcement metrics, explaining the focus of the report was on implementation of the risk-based CMEP in the second quarter of 2015. Specifically, her report focused on the ERO Enterprise's metrics related to the effectiveness of the risk-based CMEP, and described the ERO Enterprise's progress in self-logging, compliance exceptions, and mitigation plan activities, among other CMEP activities.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned at approximately 11:00 a.m. Eastern.

Submitted by,



Charles A. Berardesco
Senior Vice President and General Counsel