

Meeting Notes

Project 2013-02 Paragraph 81

September 12-13, 2012
Atlanta, GA

Administrative

1. Introductions

The meeting was brought to order by the team chair, Brian Murphy, at 8:00 a.m. ET on Wednesday, September 12, 2012. Introductions were made and those in attendance were:

Name	Company	Member/ Observer
Brian J. Murphy	NextEra Energy, Inc.	Member
Guy Zito	Northeast Power Coordinating Council	Member
Michael Brytowski	Great River Energy	Member
Sam Ciccone	FirstEnergy Corporation	Member
Doug Johnson	American Transmission Company, LLC	Member
David Kiguel	Hydro One Networks, Inc.	Member
Scott Kinney	Avista Corporation	Member
Kevin Koloini	American Municipal	Member
Mark Ladrow	SERC Reliability Corporation	Member
Scott McGough	Georgia System Operations Corporation	Member
Stephanie Monzon	PJM Interconnection, LLC	Member
Stephen R. Pelcher	South Carolina Public Service Authority (Santee Cooper)	Member

Name	Company	Member/ Observer
Mark A. Pratt	Southern Company	Member
Frank Vick	Texas Reliability Entity, Inc.	Member
Mary Ann Zehr	Tri-State Generation and Transmission Association, Inc.	Member
Kristin Iwanechko	North American Electric Reliability Corporation	Member
Jan Bargaen	Federal Energy Regulatory Commission	Observer
Mike Gandolfo	Federal Energy Regulatory Commission	Observer
Mike Gildea	North American Electric Reliability Corporation	Observer
Tony Jablonski	ReliabilityFirst Corporation	Observer
Jason Snodgrass	Georgia Transmission Corporation	Observer
Harry Tom	Federal Energy Regulatory Commission	Observer
Stacey Tyrewala	North American Electric Reliability Corporation	Observer

2. NERC Antitrust Guidelines

Kristin Iwanechko reviewed the NERC Antitrust Guidelines and reminded the group that the meeting was open and public. No questions were raised.

3. Roster updates

The team reviewed the team roster and confirmed that it was accurate and up to date.

4. Review meeting agenda and objectives

At the beginning of the meeting, each participant stated what he/she hoped to accomplish during the face-to-face meeting. In general, the participants hoped to solidify the criteria and finalize the Standard Authorization Request (SAR) based on the comments received during the informal comment period. Many of the participants shared a belief that the number of requirements included in this phase was not important and that the focus should be on the criteria and the overall strategy of the P81 project. In addition, Mr. Murphy noted that the list of requirements proposed in Phase I should be clear candidates for retirement based on the criteria developed.

Agenda

1. Review of stakeholder comments and proposed responses

- a. Prior to the face-to-face meeting the team was split up into four sub-teams to respond to the comments received from the four questions asked during the informal comment period on the draft SAR. Each sub-team held a conference call to discuss their proposed responses with the intent to bring any issues for discussion to the face-to-face meeting.
- b. Guy Zito reported on the sub-team's general observations from the comments received in response to question 1. Mr. Zito stated that there was generally significant support for the criteria listed in the draft SAR and highlighted some of the changes suggested by the sub-team, which included modifying the SAR to pertain only to Phase I, also that future phases could build upon the initial criteria developed, modifying Criterion A to be similar to Criterion B9, and eliminating Criteria B8 and B9 to avoid any confusion between Criteria A and B. Some commenters raised concerns with the use of the word "little" in Criterion A, and how to quantify "little benefit" to reliability. In some cases "little benefit" could still be deemed to be of some value. After discussion, the team decided to retain the use of the word "little" to remain consistent with the FERC's FFT Order language. In addition, the team discussed the possibility of removing Criterion B6 and combining Criteria B3 and B5. While the team decided to not remove Criterion B6 or to combine Criteria B3 and B5, the team made some clarifying revisions to the titles and language in some of the Criteria B.
- c. Mr. Murphy reported on the sub-team's general observations from the comments received in response to question 2. He noted that in response to the comments received, the sub-team added a footnote to explain the reasoning behind including requirements for information purposes only. In addition, the sub-team removed the MOD-004-1 requirements, VAR-002-WECC-1 R2, and VAR-501-WECC-1 R2 from the Phase I requirements and deferred them to a subsequent phase. The team discussed these removals and there were no objections. Further, the sub-team added FAC-010-2.1 R5, FAC-011-2 R5, and VAR-001-2 R5 to the Phase I requirements proposed for removal. The team discussed these additions and there were no objections. The team did note, however, that when posting VAR-001-2 R5, a question would

need to be asked to see if removal of the requirement would pose a reliability concern in any of the Canadian provinces.

- d. Scott McGough and the other members on the sub-team reported on their general observations from the comments received in response to question 3. The sub-team noted that there were many suggestions regarding how to handle subsequent phases of the Paragraph 81 (P81) project and that many of the proposed requirements may be out of scope for the P81 project. The sub-team reported that it was capturing all of the requirements proposed for future phases, in addition to the requirements proposed for Phase I in response to question 2 but not adopted, in a spreadsheet that it would circulate to the team. The intent is for the requirements in the spreadsheet to be analyzed in a subsequent phase of the P81 project.
- e. Mark Pratt reported on the sub-team's general observations from the comments received in response to question 4. Mr. Pratt noted that many of the comments were sent to the other sub-teams, as they were more closely related to one of the other questions. Some of the general observations from the sub-team included commenters being concerned about creating reliability gaps and about the process used for the P81 Project. The team agreed that gathering stakeholder input in a different manner in subsequent phases may be appropriate, as subsequent phases may be more involved than simply removing requirements in their entirety and will require combining and/or re-wording of existing requirements.

2. Voting structure for Phase I

The standard drafting team (SDT or team) discussed different options for balloting the requirements proposed for retirement in Phase I, such as having a single vote for the entire group of requirements, a single vote per requirement, and a single vote per smaller groups of requirements. The SDT concluded that the recommendation to be made to the Standards Committee (SC) would be for the requirements of Phase 1 to be balloted as a single group with a single vote. This was believed to be the best option, as it will minimize the burden on the industry when voting.

3. Standards Version Numbers

The SDT discussed whether the version number of the standards with retired requirements would be changed or some unique identification in the file names would be added. Ms. Iwanechko reported that NERC staff had assessed pros and cons and decided that version numbers and file names will be maintained as current and that a note added would be added to the standard that the requirement is retired.

4. Finalization of Phase I technical paper

Mr. Murphy provided an update on the status of the technical paper for Phase I which was drafted to provide the technical justification for proposing to retire the requirements included in Phase I. He stated that he would revise the technical paper further and would send the next draft to the team to review and finalize. There was also some discussion surrounding the audience of the

technical paper. Mr. Murphy stated that the initial audience would be the voters, as the SDT intends on posting the technical paper for comment with the proposed Phase I requirements. In addition, the intent is for the technical paper to provide for the basis of the NERC petition.

5. Outreach to active standards drafting teams

- a. Mr. McGough provided an update on his coordination with the chair of the Project 2009-01: Disturbance and Sabotage Reporting SDT with respect to CIP-001-2a R4 and reported that the chair does not see a conflict with retiring CIP-001-2a R4 as part of the P81 project.
- b. Sam Ciccone provided an update on his coordination with the chair of the Project 2008-06: CIP Version 5 SDT and reported that after reviewing the CIP requirements proposed for retirement in Phase I, the chair agrees that there are no conflicts with retiring those requirements as part of the P81 project.

6. Update on FERC Orders research related to Phase I requirements

Steve Pelcher provided an update on research being done with respect to the Phase I requirements and any associated directives. At that point, Mr. Pelcher did not believe that any of the Phase I requirements were in direct conflict with any FERC directives, but more research would be completed.

7. Phase II approaches

- a. Mr. Murphy facilitated a brainstorming session with the team to discuss approaches to a subsequent phase of the project. While a decision was not made, the team noted that it would be important to focus on the scope and criteria for future phases. The team also noted that the spreadsheet being put together by the question 3 sub-team could be a starting point for the list of requirements in subsequent phases but would need to be analyzed to determine which requirements are in scope of P81 and which are not. There was also a suggestion to develop the subsequent phase SAR and technical paper prior to developing a list of standards.
- b. In response to the Order, there was discussion regarding development of a recurring mechanism to remove requirements from standard(s), and some members believed that the P81 project is a “catch-up” project to clean up requirements that may not go beyond two phases and therefore, a defined removal process may not be necessary. However, others recognized that various SDTs continue to draft requirements with little effect on reliability that would be identified as candidates for removal within the P81 project and a defined removal process may be necessary and built upon the Phase I criteria.
- c. Mr. Murphy stated that he would summarize the results of the brainstorming session and circulate to the team.

8. Recommendation to the SC regarding a permanent P81 SDT and next steps

Mr. Zito proposed, and the SDT agreed, that the current P81 SDT should be considered the formal drafting team for Phase I. In addition, the SDT recommended that the final SAR be authorized by

the SC during its September 13, 2012 conference call to be included on the agenda for the next Standards Committee Executive Committee (SCEC) conference call anticipated in late September 2012.

9. Proposed project schedule

The team agreed that a reasonable schedule, with due consideration of adherence to all existing SPM processes, would allow a final filing with the FERC during or prior to the first quarter of 2013. A detailed project schedule will be developed by the standard drafting team in the coming weeks once the membership of that team is formalized.

10. Communication Plan

Mr. Murphy reported that some presentations have been given regarding the P81 project and that the communication plan would need to be revisited and updated. Mr. Murphy and Ms. Iwanechko stated that after the SC decision on the final SAR, they would coordinate with the Standards Committee Communications and Planning Subcommittee on the communication plan and would report back to the group on the status and any next steps.

11. Recap/Next Steps

Mr. Murphy reported that the final SAR developed during the face-to-face meeting was placed on the SC's September 13, 2012 agenda to be authorized for inclusion on the SCEC agenda. Mr. Murphy stated that he would provide an update to the team after the SC meeting.

12. Future Meeting(s)

The team did not schedule any meetings at this time.

13. Adjourn

The meeting was adjourned at 10:04 a.m. ET on September 13, 2012.