

Agenda

Project Management and Oversight Subcommittee (PMOS) Meeting

December 12, 2018 | 8:00 – 10:00 a.m. Eastern

NERC Headquarters
3353 Peachtree Road N.E. Suite 600
Atlanta, GA 30336

Dial-in: 1-415-655-0002 | Access Code: 737 038 646 | Meeting Password: 121218

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. **Consent Agenda – Approve** (C. Yeung)
 - a. October 31, 2018 Project Management and Oversight Subcommittee Meeting Notes*
2. **Prior Action Items – Review** (S. Barfield or J. Mallory)
3. **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 – **Archive**
 - 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 – **Update** (A. Casuscelli or L. Lynch)
 - e. 2017-03 – Periodic Review of FAC-008-3 Standard – **On hold** (M. Pratt)

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.

- f. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **On hold** (C. Yeung)
- g. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **On hold** (C. Bellville or A. Casuscelli)
- h. 2017-07 – Standards Alignment with Registration – **Update** (M. Brytowski)
- i. 2018-01 – Canadian-specific Revisions to TPL-007-2 – **Update** (C. Yeung)
- j. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – **Update** (C. Bellville or A. Casuscelli)
- k. 2018-03 – Standards Efficiency Review Phase I – Update (M. Brytowski or M. Pratt)

4. Other

- a. Affirm PMOS Leadership – **Approve**
- b. 2019 Roster* – **Review**
- c. Project Liaisons - **Assign**
 - i. [Reliability Standards Development Plan](#)²
- d. Determine 2019 conference call dates
- e. Next meeting – Conference call TBD
- f. Other

5. Adjournment

*Background materials included.

² https://www.nerc.com/pa/Stand/Standards%20Development%20Plan%20Library/FINAL_2018-2020_Reliability_Standards_Development_Plan_04102018.pdf

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)

October 31, 2018 | 12:00 p.m. – 1:30 p.m. Eastern

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 12:00 p.m. Eastern. The chair provided the subcommittee with opening remarks and welcomed members and guests.¹ The secretary identified each attendee and those in attendance both in-person and remotely included:

Members: Charles Yeung (PMOS chair), Michael Brytowski (PMOS vice chair), Colby Bellville, Amy Casuscelli, Sean Cavote, Brenda Hampton, Ash Mayfield, Mark Pratt, and Kirk Rosener.

Observers: John Allen, Scott Barfield-McGinnis (secretary), Rachel Coyne, Kent Feliks, and Jennifer Flandermeyer.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were presented and reviewed by the secretary. 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

C. Yeung reviewed the agenda with members and attendees.

2. Consent Agenda

The secretary noted that Project 2016-02 action needs to be updated to from "Review" to "Accept Baseline." A. Casuscelli motioned to approve the agenda, including the action to accept the baseline for 2016-02(e), and the September 13, 2018 Meeting Notes. Both were approved by unanimous consent.

3. Review of Prior Action Items

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

- a. Add affected standards. (S. Barfield-McGinnis). Critical Infrastructure Protection (CIP) Reliability Standards CIP-014-3, FAC-003-5, FAC-013-3, PRC-002-3, PRC-023-5, PRC-026-1 were added to Project 2015-09. (Complete)

¹ The 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.

- b. 2015-10 – Single Points of Failure, re-baseline the schedule if the current posting ending on September 14, 2018 fails (M. Pratt). The standard and implementation plan passed and the standard went to final ballot. No need to re-baseline the project. (Complete)
- c. 2016-02 – CIP, sub project 2016-02c in the project tracking spreadsheet (PTS) – Update posting dates to reflect informal posting rather than an initial ballot being first and update Malicious Code to show posted in the comments, and add K. Rosener to the other CIP PTS sub-projects. (S. Barfield-McGinnis) Secondly, K. Lanehome to ensure the standard drafting team (SDT) provides an adjusted baseline for the next PMOS meeting. (Complete)
- d. Archive 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards. (Complete)
- e. Archive project 2017-06 – Modifications to BAL-002-2. (Complete)
- f. Update Project 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting with PMOS Liaisons C. Belleville and A. Casuscelli. (Complete)
- g. Update Project 2018-04 with the PMOS Liaison contact information with L. Lynch; however, this project concerning the PRC-024 Standard Authorization Requests was rejected by the Standards Committee on September 13, 2018. No change was made to 2018-04 and it will be held for a future project, if needed. (Complete)
- h. Add M. Pratt and M. Brytowski will follow the Standards Efficiency Review (SER) work. A separate tab was created in the PTS to track SER. (Complete)
- i. Solicit nominations for PMOS membership for the 2019-2020 term. (Complete)

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits – S. Barfield-McGinnis provided the following report on behalf of K. Lanehome:

Past Actions: Out of the 11 items that went out for ballot only a few passed industry approval.

Upcoming expectations: The team is meeting in person November 6-8, 2018 to work on comment response and figure out next steps.

Schedule: The low ballot approval will result in a delay on the current schedule, but K. Lanehome was not yet sure how long the delay would be.

Any relevant issue(s): Many commenters had an issue with replacing Interconnection Reliability Operating Limits (IROLs) in the standards with “instability, cascading and uncontrolled separation.” Their view is instability must be have a widespread effect on the Bulk Electric System (BES) in order to be considered IROLs. There is concern that, as written, more sites will be pulled into scope.
- b. 2015-10 – Single Points of Failure (SPOF) TPL-001 – M. Pratt reported the following:

Past Actions: The final ballot for TPL-001-5 concluded on October 22, 2018 and received 66.69% industry approval.

Upcoming expectations: The standard along with other related documents will be presented to the NERC Board of Trustees (Board) for adoption in November 2018. The SDT will be working on implementation guidance.

Schedule: Filing should be complete in December 2018.

Any relevant issue(s): None.

- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Rosener reported the following:

- i. (2016-02b) CIP-012-1 & Control Center definition

Past Actions: The Drafting Team created CIP-012-1. Passed at approximately 72% and has been filed for regulatory authorities. This sub-part has been archived on the PTS.

Upcoming Expectations: Board adoption in November 2018.

Schedule – Implementation Plan currently states that this standard will become effective 24 months after Board adoption.

Relevant Issues: None.

- ii. (2016-02c) CIP-002-5.1a

Past Actions: The SDT is currently reviewing comments received from the formal comment period that closed October 9, 2018.

Upcoming Expectations: The SDT will consolidate comments into specific key issues to be resolved in the standard.

Schedule: A new schedule will be determined after review of comments.

Relevant Issues: To be determined after key issues are identified from the comments.

- iii. (2016-02d) Version 5 TAG, Cyber Asset and BES CA (BCA) definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances

Past Actions: The SDT has worked on an informal posting of draft CIP-005, CIP-007, CIP-010 and supporting definitions material since the PMOS September report.

Upcoming Expectations: Informal posting to be released for Industry comment planned for November 2, 2018. Related Webinar scheduled for November 15, 2018.

Schedule: A new schedule will be determined after the Project 2018-2 SDT working on CIP-008 releases their new schedule expected in early November 2018.

Relevant Issues: None at this time.

- iv. (2016-02e) – CIP-003-8 Malicious Code (FERC Order #843 Malicious Code Example Directive) A. Mayfield motioned to accept the baseline as presented. The PMOS unanimously accepted the schedule baseline.

Past Actions: Ballot passed at approximately 90% on October 9, 2018.

Upcoming Expectations: The SDT members will review and respond to comments, then determine next steps.

Schedule: A new schedule will be determined after review of comments.

Relevant Issues: To be determined should any key issues be identified upon the completion of the review of comments.

- d. 2017-01 – Project 2017-01 Modifications to BAL-003-1.1 – A. Casuscelli reported the following:

Past Actions: The BAL-003 SDT met September 26-27 at Southwest Power Pool's office in Little Rock, Arkansas to review the comments received during the informal comment period that closed on September 20, 2018. Industry comments were reviewed, discussed and responded to where appropriate. At the meeting, and during a conference call on Friday, October 19, 2018 and the SDT also finalized documentation for approval of an initial formal posting for comment and ballot with the Standards Committee (SC) during the November 2018 meeting.

Upcoming expectations: Phase I documentation for the initial formal posting for comment and balloting include about 10 documents. A small group from the SDT will work on the webinar presentation during a conference call that is planned for November 15, 2018. The SDT is meeting at Duke's offices in Charlotte December 4-5, 2018 to begin Phase II work. There will also be an industry webinar scheduled sometime during one of those two days to explain the minor changes and how the impact is minimal to the Regional Entities for Phase I. An action item was taken to create a Phase II project in the PTS.

Schedule: On schedule and the goal of the SDT is to finish Phase I and have it presented to the Board in May 2019.

Any relevant issue(s): None at this time.

- e. 2017-03 – Periodic Review of FAC-008-3 Standard – M. Pratt reported the project is on hold pending the outcome of the SER project.
- f. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported the project is on hold pending the outcome of the SER project.
- g. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – C. Bellville reported the project is on hold pending the outcome of the SER project. The standard is acceptable based on the work of the team.

- h. 2017-07 – Standards Alignment with Registration – M. Brytowski reported the following:

Past Actions: Currently on hold.

Upcoming expectations: The SDT will collaborate with SER and CIP teams because several of the standards and requirements that are being addressed by these projects.

Schedule: Adjustments to be determined once collaboration occurs. The PTS projected schedule was found to be inaccurate and was deleted pending a new updated forecast from the SDT.

Any relevant issue(s): None.

- i. 2018-01 – Canadian-specific Revisions to TPL-007-2 – C. Yeung reported.

Past Actions: The standard posted for a formal 45-day comment period and initial ballot on October 2, 2018. A webinar was held on October 23 to provide outreach on the variance.

Upcoming expectations: The posting and ballot will close on November 15, 2018. The SDT will meet after November 15 to assess ballot results and comments. Although not expected, if an additional posting is needed it will be held in early December.

Schedule: On schedule, team is proceeding on the expected timeline to present an industry approved standard to the NERC Board in February 2019.

Any relevant issue(s): None.

- j. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – C. Bellville reported the following:

Past Actions: Since the last PMOS meeting, the CIP-008 SDT met on September 17, 2018 and September 24-26, 2018 to finalize the standard for its initial posting. The SDT also conducted an industry webinar on October 16, 2018 in anticipation for the first ballot. Draft 1 of proposed CIP-008-6 was posted for a 20-day formal comment and ballot period ending on October 22, 2018. The standard received 20.02% approval from the industry on initial ballot.

Upcoming expectations: The SDT has compiled all industry comments and believes it has identified some common themes. The SDT has a meeting scheduled on October 29, 2018 to review comments as a team. An in-person meeting has been scheduled for November 6-8, 2018 to prepare the standard for posting #2. A second industry webinar is believed to be scheduled for November 16, 2018.

Schedule: On schedule. Even with the tight deadline, the anticipated a second ballot, and built one into the work schedule. Projected start of second posting is November 14, 2018.

Any relevant issue(s): The industry seems to be unclear on what the definition of “attempt” is (i.e., Is a phishing email an “attempt” for this standard?) A specific reporting form will not be required as proposed in the initial posting. The proposed form will be included in an Implementation Guidance document.

5. Other

- a. The PMOS leadership appointed Sean Cavote with PSEG Energy as a new member of PMOS for a two-year term of 2019-2020.
- b. The PMOS body re-affirmed C. Yeung and M. Brytowski as the chair and vice chair, respectively. The PMOS also affirmed the roster is accurate.
- c. The next meeting will be in-person at NERC in Atlanta, Georgia on Wednesday, December 12, 2018 at 8:00 a.m. Eastern.

6. Action Items

- a. S. Barfield-McGinnis to place Project 2015-10 to be archived on the December 2018 PMOS Agenda.

- b. S. Barfield-McGinnis to create a 2017-01(b) project tab in the PTS to track Phase II of BAL-003.
- c. S. Barfield-McGinnis, A. Casuscelli, and C. Bellville to monitor the project for the potential to have a third abbreviated posting to meet the regulatory deadline.
- d. S. Barfield-McGinnis to add newly appointed member Sean Cavote to the main PMOS distribution list.
- e. S. Barfield-McGinnis prepare the 2019 PMOS Roster for review at the December meeting.

7. Adjournment

- C. Yeung adjourned the meeting at 1:18 p.m. Eastern by consent.

Project Management and Oversight Subcommittee

2019 Roster

	Term	Name	Entity
Chair	2019-2020	Charles Yeung	Southwest Power Pool, Inc.
Vice Chair	2018-2019	Michael Brytowski	Great River Energy
Members	2018-2019	Colby Bellville	Duke Energy
	2019-2020	Sean Cavote	PSEG Services Company
	2019-2020	Ken Lanehome	Bonneville Power Administration
	2018-2019	Linda Lynch	NextEra Energy Florida Power & Light
	2019-2020	Ash Mayfield	Grand River Dam Authority
	2018-2019	Mark Pratt	Southern Company
	2018-2019	Kirk Rosener	CPS Energy
Non-voting Members	SC Chair	Andrew Gallo	City of Austin, dba Austin Energy
	SC Vice Chair	Amy Casuscelli	Xcel Energy
	NERC Staff	Scott Barfield-McGinnis, Secretary	North American Electric Reliability Corporation
	NERC Staff	Marisa Hecht, Legal	North American Electric Reliability Corporation