

Agenda

Project Management and Oversight Subcommittee (PMOS) Meeting

July 18, 2018 | 11:00 – 12:30 a.m. Eastern

Dial-in: 1-415-655-0002 | Access Code: 739 191 454 | Meeting Password: 071818

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. **Review July 18 Agenda - (Approve)** (M. Brytowski)
2. **Consent Agenda – (Approve)** (M. Brytowski)
 - a. June 13, 2018 Project Management and Oversight Subcommittee Meeting Notes*
3. **Review of Prior Action Items – (Review)** (S. Barfield-McGinnis)
4. **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 – **(Update)** (M. Pratt)
 - 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 **(Accept Baseline)**
 - d. 2017-01 – Modifications to BAL-003-1 – **(Accept Baseline)** (A. Casuscelli or L. Lynch)
 - e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – **(Pending filing)** (M. Brytowski)

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. 2017-03 – Periodic Review of FAC-008-3 Standard – **(On hold)** (M. Pratt)
 - g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **(On hold)** (C. Yeung)
 - h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **(On hold)** (C. Bellville or A. Casuscelli)
 - i. 2017-06 – Modifications to BAL-002-2 – **(Update)** (K. Lanehome)
 - j. 2017-07 – Standards Alignment with Registration – **(Update)** (M. Brytowski)
 - k. 2018-01 – Canadian-specific Revisions to TPL-007-2 – **(Update)** (C. Yeung)
5. **Other**
- a. Next meeting – In-person, September 13, 2018, 8:00 a.m. to 10:00 a.m. Pacific, Sacramento Municipal Utility District (SMUD), 6201 S Street, Sacramento, CA 95817.
6. **Adjournment**

*Background materials included.

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

Conference call:

Participants are reminded that this conference call is public. The access number was posted on the NERC website and widely distributed. Speakers on the call should keep in mind that the listening 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)

June 13, 2018 | 8:00 – 10:00 a.m. Eastern

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 8:00 a.m. Eastern. The chair provided the subcommittee with opening remarks and welcomed members and guests. 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. The following were in attendance:

Members included: Colby Bellville, Michael Brytowski (PMOS vice chair), Amy Casuscelli (SC vice chair), Andrew Gallo (SC chair), Brenda Hampton, Ken Lanehome, Linda Lynch, Ash Mayfield, Kirk Rosener, and Charles Yeung (PMOS chair).

Observers included: Scott Barfield-McGinnis (Secretary), Rachel Coyne, Marisa Hecht, Soo Jin Kim, Quinn Morrison, David Revill, RuiDa Shu, and Guy Zito.

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 announcement was provided in the agenda package 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 agenda and PMOS April 25, 2018 Meeting Notes were approved by consent.

3. Review of Prior Action Items

S. Barfield-McGinnis reported on the following items from the April 25, 2018 in-person meeting:

- a. Create a "B" project for 2015-09 in the Project Tracking Spreadsheet (PTS) to address Interconnection Reliability Operating Limits (IROL) (Complete)
- b. Update the Standards Developer for 2015-09 from K. Street to A. McMeekin and D. Richardson (Complete)
- c. Update 2015-10 project schedule based on whether going to additional ballot or final ballot once results are posted (Complete)

- d. Add an item to the in-person June PMOS meeting agenda to address Standards Efficiency Review (SER) reconciliation with open projects (Complete)
- e. Add C. Yeung as the PMOS Liaison for Project 2018-01 (Complete)
- f. Add C. Yeung as the PMOS Liaison for the SER Operations Planning subgroup (S. Barfield, Complete)
- g. Provide PMOS members with a plan for connecting Reliability Guidelines and Implementation Guidance that is associated with Standards. It was determined that the best approach to keeping visibility on this would be to add a line on the corresponding project in the PTS during active development. For post development Reliability Guidelines and Implementation Guidance, those could be added to the [One-Stop-Shop spreadsheet](#) as it already contains placeholder columns for that type of information. The columns include “Related Documents” and “Compliance Guidance,” and “Lessons Learned.” (Complete)

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits – K. Lanehome reported that the team has completed edits to FAC-011, -013, -014 and -015 as well as the mapping document. All project documents are in Quality Review (QR). They have also completed proposed changes to CIP-014, FAC-003, PRC-002, PRC-023, and PRC-026 to address the retirement of FAC-010. Wording was updated to remove references to Planning Horizon System Operating Limits (SOL) and instead focus on contributions to instances of System instability, Cascading, or uncontrolled separation identified in a Planning Assessment IROLs. Standard PRC-002 was updated to add the Reliability Coordinator as an applicable entity and remove the term Responsible Entity. Standard CIP-002 will also need to be updated to remove references to Planning Assessment IROLs, but this standard is already being updated by Project 2016-02 standard drafting team (SDT). The current plan is to post the documents for a 45-day ballot and comment period in late June; and assuming they pass, a 10-day final ballot in September with a NERC Board of Trustees (Board) delivery for adoption in November.
- b. 2015-10 – Single Points of Failure (SPOF) TPL-001 – S. Kim reported on behalf of M. Pratt that the project finished its initial ballot on April 23, 2018. The main issue in the comments was there is very little appetite in industry to consider SPOF concurrent w/a 3Ø fault as a P8 Planning Event. Other issues included, but to a lesser degree, clarity and ambiguity of Footnote 13. Along with the P8 issue, there was discussion about the role of Corrective Action Plans (CAPs). Federal Energy Regulatory Commission (FERC) staff are proponents of including CAPs; however, industry does not advocate the inclusion of CAPs. Including CAPs in the scope of work was not in the FERC order.

The current timeline for the project is to hold an in-person meeting to finalize documents for QR the week of June 26 at NERC. The QR would be conducted the week of July 7 followed by an additional 45-day comment and ballot Period on or about July 23, 2018. The SDT anticipates having an in-person meeting in September to respond to industry comments. The goal is to have a final ballot in October 2018 so that the standard can be delivered to the NERC Board in November 2018 for adoption.

- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Lanehome reported:
- i. CIP-012-1 and Control Center definition: Due to industry feedback, the team decided not to update the Control Center Definition and to address the issues in the standard instead. Standard CIP-012 is currently out for an additional formal comment period and ballot that ends July 2. Assuming the standard is passed by industry, it will go to a final ballot in late July 2018.
 - ii. CIP-002-5.1a: The SOL SDT brought up an issue with Planning Horizon IROs being referenced in the standard. Planning Horizon IROs will no longer exist with the proposed retirement of FAC-010. This isn't in the scope of the current Standard Authorization Request (SAR) so a new SAR will be posted June 13 to allow the CIP SDT to address this. A posting is planned for August with a final ballot in January 2019.
 - iii. CIP-003: Standard CIP-003 was approved by FERC Order No. 843 and added instructions to make changes to address the risk of malicious code in third-party Transient Cyber Assets. An additional SAR has been submitted to the SC to address the risk. There is already language in CIP-010 that addresses the risk, so the SDT plans to copy it over to CIP-003, assuming the SC agrees. Initial posting will be in August with a final ballot in late October 2018. This is not in the PTS and does not need to be added to the PTS since it is not a heavy lift.
- Virtualization: The SDT has developed a virtualization, technology innovation NERC CIP Standards White Paper that proposes a continued shift to a system-based security approach. It has been distributed to the active SDT observer list for review and feedback. There will be an industry webinar in late June to go over the SDT recommendations. An initial posting is planned in September with follow up postings in December 2018 and March 2019. The final ballot is planned for May 2019. The baseline schedule will be determined after the SC meeting on June 13, 2018.
- d. 2017-01 – Modifications to BAL-003-1 – A. Casuscelli reported that the SDT met last week to address the Phase I portion of the project. The project is now being handled as two phases. The SDT divided up Phase I tasks, primarily administrative tasks, into smaller group projects; the recommendations of each of the small groups were discussed, documents will be updated based on discussion and decisions made and circulated for team agreement and further discussion prior to the next SDT meeting on July 17 and 18. The baseline schedule has not been finalized yet pending a decision to possibly post for an informal comment period prior to an initial posting.
- e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – M. Brytowski reported the Standards went to the Board for adoption and is currently pending regulatory filing. The project will be archived after filing the petition.
- f. 2017-03 – Periodic Review of FAC-008-3 Standard – C. Yeung, for M. Pratt, reported that the Periodic Review Team (PRT) recommendations were submitted; however, the recommendation is on hold pending results of the SER Team recommendations.

- g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported that the PRT recommendations were submitted; however, the recommendation is on hold pending results of the SER Team recommendations.
- h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – C. Bellville reported that the PRT recommendations were submitted; however, the recommendation is on hold pending results of the SER Team recommendations.
- i. 2017-06 – Modifications to BAL-002-2 – K. Lanehome reported that the initial ballot and non-binding poll passed industry. The team is meeting on June 22 to complete responses to comments from the initial posting and anticipate going to a 10-day final ballot in late June to early July 2018. The baseline was not submitted and with the project going to final ballot, there is no need to complete.
- j. 2017-07 – Standards Alignment with Registration – M. Brytowski reported that a solicitation for nominations to the standards drafting team was conducted because many of the SAR drafting team members were unable to continue on with the project. The NERC staff recommendation for appointments resulting from that nomination period will be presented to the SC at their June meeting. L. Anderson, the Standard Developer, will be scheduling the project kick-off meeting in late June or early July.

5. Standards Efficiency Review Update

M. Brytowski reported an in-person meeting was held at KCP&L at the end of May 2018. Updates by each SER Team were presented on overlapping Requirements to ensure consistency in recommendations between the three teams. SER Teams drafted SARs for only straightforward retirements of certain Requirements (i.e., Phase I). Teams will offer a recommendation of a Phase II “Proposed Alternatives to Retirement” to address several categories of Requirements for which straightforward retirement may not be the most appropriate way of addressing efficiency gains (includes modifications, combining Requirements, etc.). The single SAR that includes all three team’s recommendations is currently posted for industry comment for 30 days and ends on July 10, 2018. Industry outreach is planned for mid-June during comment period. The following PMOS members are assigned to the SER subgroups:

- a. Real-time Operations – M. Brytowski
- b. Operations Planning – C. Yeung and A. Casuscelli
- c. Long-term Planning – L. Lynch

6. Achieving Quorum for Ballots

- a. C. Yeung posed a question as to what could be the issues with projects failing to meet quorum. S. Kim noted that 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards failed to meet quorum and NERC staff sent email reminders. It was noted that age of a project and attrition of Registered Ballot Body (RBB) members were factors in lack of quorum. S. Kim gave an example that the 2016-02 (CIP) project would have the RBB pool opened up because of significant changes and should allow others to join.

7. Other

- a. The next PMOS meeting will be a conference call and has changed from the original published schedule. It will be held prior to the SC call on Wednesday, July 18, 2018 at 11:00 a.m. Eastern. The SC call is scheduled for 1:00 p.m. Eastern on the same day.

8. Action Items

- a. Populate the projected/actual dates for Project 2015-09 according to the developer's (i.e., D. Richardson) expected schedule going forward (S. Barfield)
- b. Request the Project 2015-10 SDT review the Methods for Establishing IROLs Task Force (MEITF) document call "[*Reliability Guideline on Methods for Establishing IROLs*](#)" to determine if there is any value in the approaches. (S. Kim and M. Pratt)
- c. Provide messaging in the upcoming SER webinar on the approach to retiring requirements. For example, will retirements be a strike through to preserve Requirement numbering, will standards increment by a version, or will red text be provided in the current version to denote retirement as done in previous projects (i.e., [Project 2013-03 Paragraph 81](#)). (S. Barfield)
- d. Append change control entry on the three 2016-02 CIP projects to reflect Mat Bunch is no longer a developer on the projects.

9. Adjournment

- C. Yeung adjourned the meeting at 9:31 a.m. Eastern by consent.