

Agenda

Project Management and Oversight Subcommittee (PMOS) Meeting

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

Dial-in: 1-415-655-0002 | Access Code: 739 515 504 | Meeting Password: 103118

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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. September 13, 2018 Project Management and Oversight Subcommittee Meeting Notes*
2. **Prior Action Items – Review** (S. Barfield)
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 – **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 – **On Hold**
 - d. 2017-01 – Modifications to BAL-003-1 – **Review** (A. Casuscelli or L. Lynch)
 - e. 2017-03 – Periodic Review of FAC-008-3 Standard – **On hold** (M. Pratt)
 - 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)

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.

- 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)

4. Other

- a. Appoint new PMOS member(s) for two year term (2019-2020)
- b. Affirm 2019 PMOS leadership and roster
- c. Next meeting – In-person at NERC on Wednesday, December 12, 2018 at 8:00 a.m. Eastern.

5. 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)

September 13, 2018 | 8:00 a.m. – 10:00 a.m. Pacific

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 8:06 a.m. Pacific. The chair provided the subcommittee with opening remarks and welcomed members and guests. He thanked Joe Tarantino for hosting the meeting and Joe provided a safety briefing.

Note: 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 and remote:

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

Observers: Scott Barfield-McGinnis (Secretary), Sean Cavote, Rachel Coyne, Kenneth DeFontes, Jr., Kent Feliks, Howard Gugel, Marisa Hecht, Linda Jenkins, Douglas Johnson, Soo Jin Kim, Chris Larson, Al McMeekin, Quinn Morrison, Alison Oswald, RuiDa Shu, Joe Tarantino, 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 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

M. Brytowski motioned to approve the agenda and the July 18, 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 July 18, 2018, conference call meeting:

- a. 2015-09 – Update the posting timeline of July 30, 2018, noted in the report. (Complete)
- b. 2017-01 – Modifications to BAL-003-1 – S. Barfield to update the accepted baseline schedule. (Complete)

- c. Confirm C. Yeung is a member of the 2017-04 periodic review team email distribution list. (Complete)
- d. Distribute details of the September 2018 PMOS in-person meeting in Sacramento, CA. (Complete)

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits – K. Lanehome reported that the Standards Committee (SC) re-authorized a new initial posting of the standards. The posting was authorized by the SC on August 22, 2018, and was posted for a 45-day comment and initial ballot on August 24, 2018. All the standard updates are posted through October 10, 2018, and the posting was extended to October 17, 2018, due to a clerical error. Standards include FAC-011, FAC-014, FAC-015, CIP-014, FAC-003, FAC-013, PRC-002, PRC-023, PRC-026 and the retirement of FAC-010. A meeting is scheduled for October 23-25, 2018, in Atlanta.
- b. 2015-10 – Single Points of Failure (SPOF) TPL-001 – M. Pratt reported the project is currently posted for ballot and comment through September 14, 2018. The standard drafting team (SDT) plans to continue on the current baseline schedule. Five industry outreach efforts were completed in this ballot period as follows:
 - i. System Analysis and Modeling Subcommittee (SAMS) – August 1, 2018
 - ii. Southwest Power Pool (SPP) NERC Standards Review Forum (NSRF) – August 15, 2018
 - iii. Western Electricity Coordinating Council (WECC) Compliance Open Mic – August 16, 2018
 - iv. NERC Industry Webinar – August 23, 2018
 - v. North American Transmission Forum (NATF) – September 12, 2018

Project timeline is currently as follows, assuming ballot passes, when it closes on September 14, 2018. The SDT plans to have a face-to-face meeting to review industry comments on October 2-4, 2018. The final ballot would be in October with a NERC Board of Trustees (Board) adoption in November 2018. If the posting fails, M. Pratt will request the SDT to provide a new baseline going forward. C. Yeung noted that the liaisons should be engaged with their teams to ensure the baseline schedule is a good representation of the SDT expectations for completing the project. B. Hampton provided remarks of the purpose of the PMOS with regard to baseline schedules.

- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Lanehome reported:
 - i. CIP-012-1 & Control Center definition: CIP-012-1, Communications Between Control Centers passed at ~72%. The standard was adopted by the Board in August 2018 and the next steps will be filing with regulatory authorities. The project will be archived once filed.
 - ii. CIP-002-5.1a: The CIP-002 updates have been worked out with the System Operating Limit SDT. It is currently in comment and ballot through October 9, 2018.

- iii. Virtualization: Is currently on hold due to CIP-008 having a FERC directive. The standard is being revised under Project 2018-02 and is expected to wrap up in January 2019. There will be an industry webinar in November 2018. The SDT is focusing on security at an asset level rather than an access level.
 - 1. The SDT has split into subgroups to make proposed changes to CIP-005, CIP-007, CIP-010, and some term definitions.
 - 2. There is a stronger push to shift requirements further into systems protection rather than individual asset protection.
 - 3. The SDT is confident they will be ready to go out for informal comments from the industry in the September or October timeframe.
 - 4. Coordination will need to be done with the CIP-008 updates to avoid reaching out to the industry concurrently, possibly causing confusion.
 - 5. Plans are still being made for additional industry outreach, such as a workshop.
- d. 2017-01 – Modifications to BAL-003-1 – L. Lynch reported the SDT met August 28-29, 2018, in Portland, Oregon to resolve adjustments to the Interconnection Frequency Response Obligation (IFRO) calculation within a Balancing Authority Area. The SDT will be moving calculations out of the Standard’s Attachment into the “Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard,” which is a NERC Procedure. The document explaining the new proposed Resource Loss Protection Criteria (RLPC) is included in the redlined version of BAL-003 that went out for a 15-day informal comment period starting on September 6, 2018. Supporting materials for industry review and comment also includes the redlined version of the proposed changes to the “Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard;” a copy of the planned modifications to the frequency response “FRS Form 1” used for reporting; and, questions soliciting specific information and feedback in the “Unofficial Comment Form.” The comments received will be distributed and assigned to SDT members to draft responses prior to the team meeting scheduled for Little Rock, Arkansas on September 26-27, 2018. The initial posting and formal ballot period is planned for October 8-17, 2018. The goal is to finish phase one and present to the Board in May 2019.

The previous SDT meeting had an issue with disruption that took the SDT off agenda. C. Yeung asked what the NERC process is for participants that might reduce the effectiveness of the SDT efforts to progress through the development process. S. Kim responded that NERC has a participation policy that addresses how NERC staff and the team leadership are to address disruptions.

- e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – M. Brytowski reported the NERC petition for approval was filed on Monday, July 23, 2018. The project will be archived in the PTS. M. Brytowski questioned whether the project had an original baseline and whether the PMOS should monitor the periodic reviews. S. Barfield-McGinnis responded that the SDT postponed baselining due to the various known issues with

moving the project forward and provided a baseline in January 2018. The PMOS does track periodic reviews; however, it does not track projected postings due to the variable number of meetings required to conduct the review.

- f. 2017-03 – Periodic Review of FAC-008-3 Standard – M. Pratt reported the project is on hold pending the outcome of the Standards Efficiency Review (SER) project.
- g. 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.
- h. 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 adequate to protect reliability based on the work of the team.
- i. 2017-06 – Modifications to BAL-002-2 – K. Lanehome reported this project passed industry ballot and was approved by the Board in August 2018. The standard was filed with regulatory authorities on August 17, 2018. The project will be archived following this meeting.
- j. 2017-07 – Standards Alignment with Registration – M. Brytowski reported that the SDT conducted a WebEx meeting August 1-2, 2018. From that meeting, there are some standards that will be delayed, as they are being evaluated or revised by other projects. The SDT will collaborate with SER team for the NUC-001-3 Reliability Standard and have the SER team address the change. The SDT will likely go forward with posting PRC-005 and PRC-006 in October and other standards that will change Planning Authority to Planning Coordinator. The SDT also submitted their baseline project schedule and the PMOS accepted the baseline proposal.
- k. 2018-01 – Canadian-specific Revisions to TPL-007-2 – C. Yeung reported the SDT is currently meeting in Toronto, Québec at Hydro-Québec TransÉnergie on September 11-12, 2018. The SDT also submitted their baseline project schedule and the PMOS accepted the baseline proposal.
- l. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – K. Lanehome reported that the SC will be appointing the team today. FERC released Order No. 848, which asks for an update to CIP-008 to enhance cybersecurity incident reporting. This will be handled with a new Standards Authorization Request (SAR) and new SDT in this new Standards' project. S. Barfield-McGinnis will update the PTS the liaison information with A. Casuscelli and C. Bellville.
- m. 2018-04 – Inverter-based Resources (PRC-024) – L. Lynch accepted liaison position pending the SC action to move forward.

5. Other

- a. Work Load – Projects are fairly well balanced. Current members will be re-assigned to other projects; however, the PMOS will solicit for nominations for future projects.
- b. Standards Efficiency Review Update – S. Barfield reported that the SER Phase I SAR is posted for comment. The PMOS discussed how they might follow and track the SER work. H. Gugel noted that there is really nothing for the PMOS track in Phase I as it will be focused on straight-

out retirement only. He also explain it was unclear how Phase II will evolve from a project standpoint.

- c. Roster – B. Hampton updated the PMOS members that she will not renew her term. C. Yeung acknowledged her years of service to the PMOS.
- d. The next PMOS meeting will be a conference call on October 31, 2018 at Noon Eastern.

6. Action Items

- a. Add additional affected standards to 2015-09. (S. Barfield-McGinnis)
- b. 2015-10 – Single Points of Failure, re-baseline the schedule if the current posting ending on September 14, 2018, fails. (M. Pratt)
- c. 2016-02 – For PTS tab 2016-02c, 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. Secondly, K. Lanehome to ensure the SDT provides an adjusted baseline for the next PMOS meeting. (S. Barfield-McGinnis)
- d. Archive 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards. (S. Barfield-McGinnis)
- e. Archive project 2017-06 – Modifications to BAL-002-2. (S. Barfield-McGinnis)
- f. Add A. Casuscelli and C. Bellville as the PMOS liaison for 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting. (S. Barfield-McGinnis)
- g. Update Project 2018-04 with the PMOS Liaison contact information. (S. Barfield-McGinnis)
- h. Add M. Pratt and M. Brytowski will follow the SER work. (S. Barfield-McGinnis)
- i. Add L. Lynch to 2018-03 (PRC-024) contingent on the SC taking action on the project. (S. Barfield-McGinnis)
- j. Solicit nominations for PMOS membership for the 2019-2020 term. (S. Barfield-McGinnis)

7. Adjournment

C. Yeung adjourned the meeting at 9:42 a.m. Pacific by consent.