

Draft Minutes Critical Infrastructure Protection Committee

December 9–10, 2009
Hyatt Regency Hotel, Buckhead
650 N. Pearl Street
Atlanta, Georgia

Critical Infrastructure Protection Committee Chair Barry Lawson called to order a duly noticed, regular meeting of the Critical Infrastructure Protection Committee (CIPC) on December 9, 2009 at 1 p.m., local time, and a quorum was declared present. The meeting announcement, agenda, and list of attendees are attached as **Exhibits A, B, and C**, respectively.

Chairman Lawson presided.

Scott Mix, CIPC Secretary and NERC Manager of Infrastructure Protection, announced a quorum of 26 members and the following proxies:

1. Bill Muston for Steve Martin
2. Brian Malfont for Joel Garmon
3. Darren Myers for Tim Riggs
4. Joe Pierra for Bill McEvoy (Wednesday only)
5. Sandy Brewer for David Godfrey
6. Brad Hyland for Robert Richhart

NERC Antitrust Compliance Guidelines

Mr. Mix called attention to the NERC Antitrust Compliance Guidelines distributed with the agenda.

Introductions of Members, Alternates, Associates, and Others

Mr. Mix called for introductions of members of the CIPC and other attendees.

Approval of Agenda

Chairman Lawson presented the agenda for approval, and suggested a change to the agenda, providing an opportunity preceding the CIPC Executive Committee report for Mr. Gerry Cauley, NERC incoming President and CEO, to present on his vision for NERC. Upon **motion** by Carl Eng, seconded by Robert McClanahan, the agenda was approved.

Minutes

Chairman Lawson presented the September 16–17, 2009 minutes for approval (**Exhibit D**). Several changes were suggested by the membership. Upon motion by Tom Glock, seconded by Carl Eng, the minutes, as updated, were approved.

Presentation from Gerry Cauley

Mr. Gerry Cauley, incoming President and CEO of NERC, delivered a presentation addressing his thoughts on ERO directions. His presentation is attached as **Exhibit E**.

CIPC Executive Committee Report

Chairman Lawson presented a briefing on several different activities. Slides from this presentation and others from this meeting are available at <http://www.nerc.com/filez/cipmin.html>.

Mr. Lawson presented on issues of note from the CIPC Executive Committee (CIPC EC) work performed since the last CIPC meeting. He provided an overview of the topics to be discussed at this CIPC meeting, an overview of events that have transpired since the last meeting, the recent NERC Board of Trustees meeting, an overview of recent activities in Washington, DC, and an update on the NERC CIP Standards issues. Mr. Lawson then talked with the CIPC, on behalf of the five major trade associations (APPA, EEI, ELCON, EPSA and NRECA), on the importance of the work being performed by the CSO 706 Standards Drafting Team in revising the CIP Cyber Security Standards. (**Presentation 1**)

Mr. Bob Canada, CIPC Vice-Chair and chair of the Nominating Subcommittee, presented an overview of the nomination process for the election of the remainder of the CIPC EC (**Presentation 2**). On behalf of the Nomination Subcommittee, the following slate of nominees was placed in to nomination: Tom Glock, Jim Brenton, Dave Baumken, and Chuck Abell. Upon **motion** by Carl Eng, seconded by Nathan Mitchell, the slate of representatives passed with a single abstention. Mr. Canada then thanked outgoing executive committee members Scott Webber and Mark Engels for their service to the committee.

NERC Functional Model Version 5

Mr. Steve Cruchfield, NERC staff facilitator to the NERC Functional Model Working Group, presented an overview of the changes in Version 5 of the functional model. Upon **motion** by Bob Canada, seconded by Tom Glock, the CIPC approved the revised Version 5 Functional Model documents. (**Presentation 3**)

NERC / ES-ISAC Updates

Mr. Michael Assante, NERC's Vice President and Chief Security Officer, provided an update on recent NERC and ES-ISAC activities. Included in Mr. Assante's update was an overview of recent congressional testimony; FERC Order 706B issues dealing with nuclear plants; the Technical Feasibility Exception process; recent ESSG activities, the U.S. Government's Homeland Security Advisory System review; and the NERC CEO selection. (**Presentation 4**)

Mr. Mix provided an update on the status of the CIP Standards revision process. His presentation included an overview of the September 30, 2009 FERC order accepting the filed Version 2 standards. He also provided a brief update on the status of the Version 4 standards. (**Presentation 5**)

NERC Alert Process Update

Mr. Assante provided an update of the status of the NERC Alert system. He stated that the alert system is expected to go live in February 2010, following another operational test in January 2010. **(Presentation 6)**

Control System Security Working Group

Mr. Mark Engels, chair of the CSSWG, presented the changes made in response to comments from the final comment period for the Time Stamping of Operational Data Logs Guideline. He stated this guideline is not in support of a standard, and the approval by CIPC is the final approval needed for this guideline. Upon motion by Tom Glock, seconded by Bob Canada, the guideline was approved. **(Presentation 7)**

Mr. Engels then gave a presentation on the recent activities of the Department of Homeland Security (DHS) Industrial Control Systems Joint Working Group (ICSJWG). He stated that NERC and the electric sector are well represented on the ICSJWG, with Tim Roxey of NERC co-chairing the working group, and Mike Assante of NERC and Dave Norton of Entergy co-chairing two sub-working groups. **(Presentation 8)**

HILF Workshop Report

Mr. Scott Moore of AEP, and chair of the HILF Steering Committee, provided a report of the High Impact, Low Frequency (HILF) Events workshop held in Washington, D.C. on November 9–10, 2009. He concluded by discussing future actions of the HILF Steering Committee. **(Presentation 9)**

CIPC Organization Issues and Creation of WG/TFs for Security Guideline Work

Chairman Lawson presented on the results of the CIPC EC work on implementing the security guideline retirement and consolidation activities presented at the September 2009 meeting. The executive committee will continue to work on this issue, and report progress to the CIPC at the next CIPC meeting. **(Presentation 10)**

Department of Homeland Security FOUO Briefing

Anjanette Dagle of DHS provided the CIPC with a “For Official Use Only” briefing on physical threats to the electric sector.

Following that brief, Stu Frome of DHS briefed CIPC on the status of a new Nation Wide Suspicious Activity Report (SAR) system. Additional information is available at www.ise.gov, or by contacting saradmin@dhs.gov. Mr. Canada noted that there is a tie-in to the required CIP-001 reporting, and further noted that the CIP-001 standard was undergoing update.

Recent Bulk Power System (BPS) Incidents

Mr. Stan Johnson of NERC provided a summary of recent BPS and security incidents since the last CIPC meeting. **(Presentation 11)**

Presentation from CDC on H1N1

Ms. Lisa Koonan of CDC provided a thorough update from the CDC on the H1N1 pandemic status in the United States. The CDC provided numerous reference materials on pandemic planning, which can be found at <http://www.flu.gov>, <http://www.cdc.gov/h1n1flu/> and <http://www.who.org>.

H1N1 Update from Electricity Sector

Following the CDC presentation, Mr. Dave Baumken and Mr. Stuart Brindley provided an update on the status of H1N1 planning in the electric sector. They reminded the CIPC of the pandemic advisories issued on August 12, 2009 and November 27, 2009, including the severity matrix that was included in the August 2009 advisory. They also requested that the U.S. federal government create a revised severity index to allow a true severity level to be communicated to the private sector.

Risk Assessment Working Group

Mr. Greg Fraser provided CIPC with a status update on the Critical Asset Identification Guideline, and a summary of the changes made to the Critical Cyber Asset Identification Guideline in response to the comments received in the initial comment period. The revised guideline documents (in clean and redline versions) as well as the consideration of comments document are posted on the CIPC Security Guidelines Working Group Web page at <http://www.nerc.com/filez/sgwg.html>. Upon **motion** by Greg Fraser, seconded by Chuck Abel, the CIPC will perform an email vote approving the Critical Cyber Asset Identification Guideline for its required 45-day industry review. An email specifying voting procedures will be sent by NERC staff following the CIPC meeting. (**Presentation 12**)

Mr. Fraser stated that following the close of the comment period, the comments will be addressed and the guideline updated and presented to CIPC for its final approval at the June 2010 CIPC meeting. If approved by CIPC, the guideline will be forwarded to the NERC Standards Committee for their approval for posting as a reference document to CIP-002.

Agency Reports

Department of Homeland Security

Ms. Cathy Eade of DHS requested that CIPC members who attended the classified briefing on December 9, 2009 provide her feedback. Mr. Lawson indicated that an email would be sent to CIPC members soliciting feedback, which will be summarized and forwarded to Ms. Eade.

Ms. Eade also noted that there were a number of new CIPC members who do not have Secret Level clearances, and reminded them that they should contact her at cathy.eade@dhs.gov to request the clearance process be started.

Department of Energy

Ms. Patricia Hoffman, recently nominated as Department of Energy (DOE) Assistant Secretary for Electricity Delivery and Energy Reliability, indicated that she would be working on improved communication among federal agencies and the private sector, including DOE, DHS, FBI and FERC, and would be striving for improved quality of information communicated from the government. She also presented a Certificate of Appreciation plaque to out-going vice-chair Tom Glock for his service on the Electricity Sector Coordinating Council.

Mr. Ken Friedman of DOE also discussed the metrics activities being undertaken by DHS in response to congressional interest in metrics. Mr. Friedman has established a metrics working group, and will be working with Mr. Roxey and Mr. Assante on this issue.

Federal Energy Regulatory Commission

Mr. Tom Friel of FERC informed CIPC that the commission was focusing on the Order 706B implementation issues, and related VSLs.

Royal Canadian Mounted Police

Mr. Tim O'Neil of the Royal Canadian Mounted Police provided an update on Canadian infrastructure protection and law enforcement activities, and stressed the importance of cross-border initiatives for both infrastructure protection as well as economics.

Follow-up Items and Future Actions

Mr. Lawson provided a recap of the meeting, and reminded the CIPC of the following items:

- The HILF draft report will be released by the steering committee early in 2010
- CIPC feedback will be sought on the classified briefing
- The CIPC EC will continue to work on the working group and task force plan and will report back at the next CIPC meeting
- Approval of the Critical Cyber Asset Identification Guideline by email vote

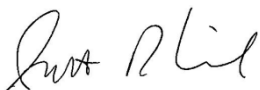
Mr. Mix confirmed the following future meetings of the CIPC:

- March 17–18, 2010 (Phoenix, AZ)
- June 16–17, 2010 (Toronto, Ontario)
- September 15–16, 2010 (Denver, CO)
- December 8–9, 2010 (Tampa FL)

Adjournment

There being no further business, on **motion** by Jim Brenton and seconded by Chuck Abell, Chairman Lawson adjourned the meeting.

Submitted by,



Scott Mix
Secretary

From: Rocio Amendola
 Cc: cipc@nerc.com; OC_plus@nerc.com; PC_plus@nerc.com; nercroster@nerc.com; rm_plus@nerc.com
 Subject: Announcement: Standing Committees* Meetings December 8-10, 2009, Atlanta, GA.
 Date: Tuesday, October 20, 2009 5:26:13 PM



Meeting Announcement: Standing Committee Meetings December 8-10, 2009 | Atlanta, GA

Grand Hyatt Atlanta
 3300 Peachtree Road, NE
 Atlanta, GA ([Map](#))
 (404) 237-1234
 Please call the hotel directly to book reservations

\$159 night group rate | Code: **NERC**
Hotel cut-off date: November 15, 2009 (Rooms booked after this date will be subject to full price, if available)
 Room block available from: 12/7 – 12/9 (limited guest rooms available)
 Check in: 3 PM – Check out: 12 PM
 Dress Code: Business Casual

Group Name	Registration Link	Tuesday, December 8	Wednesday, December 9	Thursday, December 10
REMG		REMG: 7 – 9 AM		
Operating Committee	OC	Exec Committee: 10 AM – noon OC: 1 – 5 PM	OC: 8 AM – noon	
Planning Committee	PC	Exec Committee: 10 AM – noon PC: 1 – 5 PM	PC: 8 AM – 12 PM	
Critical Infrastructure Protection Committee	CIPC		Exec Committee: 10 AM – noon CIPC: 1 – 5 PM	CIPC: 8 AM – 5 PM

NERC will provide a joint lunch for OC and PC on 12/8 and a working lunch for CIPC meeting on 12/9 at noon, prior to their respective committee meeting.

Schedule includes other associated NERC meetings.

When making your hotel reservation, please be sure to mention the "NERC" to get the preferred rate and ensure your reservation is credited to the NERC room block. The hotel will charge NERC a penalty if the total rooms blocked for this event are not picked up. Also, if you use a travel agency for your travel plans, please make sure the agency mentions NERC. For more information or assistance, please contact Rocio Amendola.

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 You are currently subscribed to rm_plus as: lori.chances@nerc.net
 To unsubscribe send a blank email to leave-rm_plus-83609W@listserv.nerc.com ---
 You are currently subscribed to rm_plus as: lori.chances@nerc.net
 To unsubscribe send a blank email to leave-rm_plus-83609W@listserv.nerc.com

Agenda

Critical Infrastructure Protection Committee

December 9, 2009 | 1 p.m. – 5 p.m.
December 10, 2009 | 8 a.m. – noon
Grand Hyatt Atlanta
3300 Peachtree Road, NE
Atlanta, Georgia
30305

Administrative Matters

Antitrust Compliance Guidelines

Consent Agenda -- Approve

- *1. **Approval Minutes** **30 min**
 - [September 16, 2009 Meeting](#)

Regular Agenda

- 2. **CIPC Executive Committee Report – Barry Lawson** **45 min**
 - a. Board of Trustees Highlights – Barry Lawson
 - b. Electricity Sector Coordinating Council and PCIS Update – Barry Lawson
 - c. Washington, D.C. Update – Barry Lawson
 - d. Nominating Committee Report – CIPC EC – Bob Canada
 - e. Election of Remaining Members of Executive Committee – Scott Mix
- *3. **NERC Functional Model Version 5 – Stephen Crutchfield** **30 min**
 - a. Overview of Functional Model Version 5 Document and Changes
 - b. **Approve** Functional Model Version 5 Document
- 4. **NERC / ES-ISAC Updates – Michael Assante** **90 min**
 - a. Congressional Testimony – Michael Assante
 - b. FERC Order 706B Update – Michael Assante
 - c. Technical Feasibility Exception (TFE) Process – Michael Assante

- d. ESSG Activity – Michael Assante
- e. Department of Homeland Security Advisory System (HSAS) Update – Michael Assante/DHS
- f. NERC CEO Search – Michael Assante
- g. FERC Order 706 Drafting Team Update – Scott Mix
- 5. **NERC Alert Process Update – Michael Assante** **15 min**
- *6. **Control System Security Working Group – Mark Engels** **15 min**
 - a. Approve Timestamping Guideline as a CIPC Guideline
 - b. Update on DHS Industrial Control Systems Joint Working Group (ICSJWG)
- 7. **HILF Report – Scott Moore and Robert McClanahan** **15 min**
- 8. **CIPC Organization Issues and Creation of WG/TFs for Security Guideline Work – Barry Lawson** **30 min**
 - a. Establish Working Group on Security Guidelines
- 9. **H1N1 Update – Dave Baumken / Stuart Brindley** **15 min**
- 10. **Department of Homeland Security FOUO Briefing – Stu Frome (DHS)** **60 min**
- 11. **Presentation from CDC on H1N1 – Lisa Koonan** **60 min**
- 12. **Recent BPS Incidents – Stan Johnson** **10 min**
- 13. **Risk Assessment Working Group – Greg Fraser** **20 min**
 - a. Guideline: Identifying Critical Cyber Assets
 - i. Overview of changes made
 - ii. **Approve** guideline for broad industry review – Email vote following meeting
- Agency Reports** **20 min**
- 14. **Department of Homeland Security**
- 15. **Department of Energy**
- 16. **Public Safety Canada / Royal Canadian Mounted Police**
- 17. **Federal Energy Regulatory Commission**
- Closing** **5 min**
- 18. **Follow-up Items and Future Actions – Barry Lawson**

19. **2010 Future Meetings – Scott Mix**

- March 17–18, 2010 (Phoenix, AZ)
- June 16–17, 2010 (Toronto, Ontario)
- September 15–16, 2010 (Denver, CO)
- December 8–9, 2010 (Tampa, FL)

* Background material included

NERC Committee Meetings Attendance Form

Committee Name: Critical Infrastructure Protection Committee • **Site Contact:** Scott Mix • **Meeting Dates:** December 9-10, 2009

Name of Participant	Organization/Sector
Chris McColm	Manitoba Hydro – CEA
Tom Glock	Arizona Public Service – WECC
Allen Klassen	Westar Energy
Nathan Mitchell	APPA
Sandy Brewer	APPA
Jim Brenton	ERCOT
David Grubbs	ERCOT
Bill Muston	ERCOT – ONCOR
Larry Bugh	ReliabilityFirst
Kent Kujala	Detroit Edison – RFC
Dan Powell	Indianapolis Power and Light Co.
Tim Roxey	NERC
Ross Johnson	Capital Power Corp. – CEA
Scott Heffentrager	PJM
Dan Brotzman	Exelon – RFC
Margie Miller	Exelon – RFC
Jeffrey Fuller	DPL – RFC
Jerry Freese	AEP
Franklin Dessuit	NIPSCO
Jack Cashin	Electric Power Supply Association
Cathy Eade	DHS
Rhonda Dunfee	DOE/OE
Alice Luppert	DOE/OE
Patricia Hoffman	DOE/OE
Kenneth Friedman	DOE/OE
David Batz	Edison Electric Institute
Stuart Brindley	IESO
Boyd Nation	Southern Company

Name of Participant	Organization/Sector
Mike Sanders	Southern Company
Don Roberts	Southern Company
Ed Goff	Progress Energy
Sassan Attari	Mirant
Steven Belle	South Carolina Electric and Gas
Garill Coles	Pacific Northwest National Labs
Ellen Oswala	Edison Mission Energy
John Falsey	Edison Mission Energy
Tom Flowers	CCS – EPRI
Gary Finco	Idaho National Laboratory
James Sample	TVA
Brian Harrell	SERC Reliability Corp.
Dave Daley	New Brunswick System Operator
Roger Fradenburgh	Network Security Technologies Inc.
Kelly Ziegler	NERC
Steve Crutchfield	NERC
Dave Baumken	Hydro One
Mike Assante	NERC
Scott Mix	NERC
Barry Lawson	NRECA
Robert Canada	Southern Co.
Robert McClanahan	Arkansas Electric Cooperative Corp.
Carl Eng	Dominion Virginia Power – SERC
Charles Abell	Ameren – SERC
Brian Malfant	FRCC
Darren Myers	Progress Energy Florida – FRCC
Jean-Guy Ouimet	Hydro Quebec – NPCC
Marc Child	GRE – MRO
Greg Fraser	Manitoba Hydro
Darren Nielsen	Arizona Public Service

Name of Participant	Organization/Sector
Scott LaChasse	Southern California Edison – WECC
Brad Hyland	NRECA
Mark Engels	Dominion Virginia Power
Michael Lynch	DTE Energy
Bill Cummins	DHS
Wally Johnson	Consultant to PHI
Clark Liu	MRO
Guy Andrews	Georgia Systems Operations Corp.
Neil Phinney	Georgia Systems Operations Corp.
John Lim	ConEdison
Joe Pereira	ISO New England
Jacques Chevalier	Hydro Quebec
Jay Cribb	Southern Co.
Brian Spickard	Southern Co.
Tim Friel	FERC
Bob Truman	EON US
Gerry Cauley	NERC
Richard Kinas	Orlando Utilities Commission
Jerry Murray	Oregon Public Utility Commission
Don McMullin	Xcel Energy
Martin Narendorf	CPE – ERCOT
Kevin Perry	SPP
David Revill	Georgia Transmission
SteveSchutz	E-Verifile
Eric Solberg	ATC – MRO
Robert Ulmer	ATC
John Robertson	CSIS
Tim O’Neil	RCMP
Suzanne Lemieux	DOE – BCS
George Miserendino	Intellblind

Name of Participant	Organization/Sector
Bill McEvoy	NU
Stan Johnson	NERC
Jocelyn Stargel	Southern Company Services

Minutes Critical Infrastructure Protection Committee

September 16-17, 2009
Westin City Center Dallas
650 N. Pearl Street
Dallas, Texas
214-979-9000

Critical Infrastructure Protection Committee Chair Barry Lawson called to order a duly noticed, regular meeting of the Critical Infrastructure Protection Committee (CIPC) on September 16, 2009 at 1 p.m., local time, and a quorum was declared present. The meeting announcement, agenda, and list of attendees are attached as **Exhibits A, B, and C**, respectively.

Chairman Lawson presided.

Secretary Tim Roxey announced a quorum of 30 members and the following proxies:

- 1) Joe Doetzl for Allen Klassen
- 2) Michael Knauer for Bob Richart
- 3) Clark Liu for David Batz
- 4) Darren Myers for Tim Riggs
- 5) Stuart Brindley for Chris McColm
- 6) Brian Hogue for Jean-Guy Ouimet

NERC Antitrust Compliance Guidelines

Tim Roxey, manager of critical infrastructure protection, called attention to the NERC Antitrust Compliance Guidelines distributed with the agenda.

Introductions of Members, Alternates, Associates, and Others

Tim Roxey called for introductions of members of the CIPC and other attendees.

Approval of Agenda

Chairman Lawson suggested several minor changes to the agenda: Under agenda item 2d, the item should read as “Planning Committee Smart Grid Task Force”; item 2e should be changed from Nominating Committee to Nominating Subcommittee; item 3h should read as “FERC 706 Drafting Team Update”; and on item 10, the agenda should be updated to reflect that no approval is needed for retiring a working group. Additionally, it was suggested that CIPC add the discussion of Reliability *First*'s letter about usage

of version 2 implementation under version 1 standards to item 3h, after the drafting team update. The agenda was approved 30-0 on a motion by Jim Brenton, seconded by Tom Glock.

Minutes

Secretary Roxey presented the December 2, 2008; March 19, 2009; and June 10, 2009 minutes for approval. Chairman Lawson noted the necessary addition of the meeting notices as exhibit B on both the March and June minutes. All three sets of minutes were approved by a vote of 30-0 by CIPC on motion by Robert McClanahan and seconded by Bob Canada.

Information Items

Chairman Lawson presented a briefing on several different activities. Slides from this presentation and others from this meeting are available at <http://www.nerc.com/filez/cipmin.html>.

CIPC Executive Committee Report

Chairman Lawson presented an update to the CIPC on recent CIPC Executive Committee (CIPC EC) and Electricity Sector Coordinating Council (ESCC) activities. In August, the CIPC EC met in Atlanta, Georgia to focus on issues including the energy sector specific plan, which is out for updates. Mr. Lawson stated Department of Energy staff is looking to the electricity and oil and natural gas sectors to provide updates and comments. Additionally, there was discussion on CIPC security guidelines; potential agenda items for a face-to-face with the Electricity Sector Steering Group (ESSG) to take place before year-end; and the CIPC working group and task force structure. Mr. Lawson explained the executive committee had met earlier in the day to discuss the agenda, and the steps moving forward for the NERC Spare Transformers Database.

Board of Trustees Highlights

Chairman Lawson presented an overview of the material covered at the August 5, 2009 NERC Board of Trustees meeting. He reported the board approved the revised CIPC Charter with no changes. The revisions to the CIPC Charter were related to the guideline approval process, which the CIPC was instructed to add by the board, and language regarding non-voting members of the CIPC EC representing Trade Associations.

Mr. Lawson thanked NERC Board of Trustee Janice Case for attending the June CIPC meeting and updated the board on CIPC activities. Mr. Lawson reported on the Critical Asset Identification Guideline, the planned meeting between the CIPC EC and the ESSG, a joint Energy Sector Coordinating Council meeting with the Government Sector Coordinating Council, and CIPC's continuing guidance to NERC in its role as the ESISAC in Alerts and other areas.

Electricity Sector Coordinating Council and PCIS Update

Chairman Lawson summarized the recent activities within the ESCC. He reported the ESCC continues ongoing communications with DOE and DHS between meetings. Additionally, he reported at the ESCC meeting in Atlanta, each member of the ESCC was assigned a chapter from the sector specific plan in order to catalog comments.

Mr. Lawson reported primary areas of focus of the PCIS is working with DHS and DOE to establish

relationships from the new administration, participate in federal exercise development, and provide cross-sector feedback to federal government on infrastructure protection issues. Messrs. Lawson, Roxey, Assante, and Brindley all participate on behalf of the electricity sector, with Stuart Brindley recently elected to the executive committee of the PCIS.

Mr. Lawson also reiterated the importance of the joint face-to-face meeting between the CIPC EC, the ESCC, and the ESSG to establish a process for the CIPC/ESSG relationship, to clarify PCIS roles for our sector, and to develop a charter for the ESCC. **(Presentation 2)**

Washington D.C. Update

Chairman Lawson reported cyber security-focused legislation is still a current topic on Capitol Hill. Michael Assante and other representatives testified before the House Homeland Security Committee – Subcommittee on Emerging Threats, Cybersecurity, Science and Technology on July 21, 2009.

Mr. Lawson encouraged all to work closely with their respective Trade Associations as they have government relations staff to work with those on Capitol Hill. Additional hearings in the fall are likely. **(Presentation 2)**

Planning Committee Smart Grid Task Force

Chairman Lawson reported the Planning Committee is forming a Smart Grid task force to deliver high-level reports of Smart Grid issues. He stated members are being solicited from all standing committees and it is very important that CIPC members or alternates participate.

Nominating Subcommittee Report – CIPC Leadership

On behalf of the nominating subcommittee, Mr. Bob Canada put forth a slate for chair and two vice chairs for the CIPC: Barry Lawson for position of Chair, and Robert McClanahan and Robert Canada for the positions of Vice Chair. **(Presentation 3)**

Election of Chair and Two Vice-Chairs

Tim Roxey explained the rules of engagement as per the charter and opened the floor to nomination of other candidates. There being no other nominations, a unanimous vote by acclamation was conducted as per the CIPC Charter for the chair and the two vice chair positions.

At its meeting in December 2009, the CIPC will utilize the same process for the remaining four voting members of the CIPC EC, as per the CIPC Charter.

NERC/ES-ISAC

Cyber Readiness Preparedness Assessments

Tim Roxey presented a brief status report of the Cyber Readiness Preparedness Assessments (CRPA) project. Mr. Roxey reported the project is on track with the plan and that NERC has been contacted by six entities. The first of the tabletop exercises was recently completed with two other entities presently in discovery phase in which NERC works with the entity to determine the status of their configurations and then tailors the exercises to the entity's architecture. Another two entities are still in the process of working on non-disclosure agreements. The project is currently looking for one additional entity to volunteer and welcomes involvement by a Canadian entity.

Mr. Roxey stated the details of the exercises would be kept very private but that the ESSG will receive a special briefing on details of the first exercise. He reminded the CIPC the CRPA Socialization Document is available for anyone interested.

Michael Assante acknowledged the CRPA Project Advisory Group as very helpful in standing up the charter. Mr. Assante stated he anticipates a review of the mechanics mid-project and another update to that group at the conclusion of the next tabletop. The question was raised about the representation of the sector in the tabletop exercises, to which Mr. Assante replied a fair representation from a diversity perspective is difficult to achieve with the existing limited scope of the project. Mr. Assante stated he would like to see diversity on three planes, which would require a much larger project: by function type in the BPS, by organizational structure, and overall size with geographic diversity. There is the possibility the project could be extended into next year to accomplish more diversity, and the ESSG will discuss this. Additionally, NERC's goal is to consult the ESSG after each exercise to provide guidance on how best to share observations with the industry and government stakeholders.

Congressional Testimony

Mr. Assante reported he testified on behalf of NERC at the House Homeland Security Committee – Subcommittee on Emerging Threats, Cybersecurity, Science and Technology on July 21, 2009. He has received follow up questions to that testimony and he has worked with the ESSG and others to provide responses to those questions.

FERC Order 706-B Implementation Plan Update

Mr. Assante reported the FERC Order 706-B Implementation Plan was recently balloted with a quorum of 87 percent and a weighted segment vote of 97 percent. The plan was submitted to the NERC Board of Trustees and is being prepared to file with FERC. Mr. Assante stated three key elements are necessary to satisfy order 706-B: 1) NERC and the Nuclear Regulatory Commission must sign a Memorandum of Understanding. This is currently in process with NERC and NRC staff. 2) NERC must develop a process for balance of plant determination. This process is starting to be engineered but requires the MOU in order to function. 3) Implement and conduct plans to conduct CIP audits of nuclear plants.

Virtual Tour – NERC Situation Awareness Room

Stan Johnson, manager of situation awareness, presented a virtual tour of NERC's new situation awareness room. Mr. Johnson explained this room is dedicated to situation awareness, ES-ISAC and events and analysis use, and will be used as a place to congregate and monitor major emergencies to the BPS including cyber incidents and major natural catastrophes such as wildfires. The room consists of 800 square feet divided into three interconnected offices, including an office for the room supervisor, two workstations for situation awareness staff, and a conference room. The room is equipped with satellite feeds and flat screens for monitoring displays such as SAFNR.

Michael Assante added that the room allows for compliance with the cyber security-reporting requirement in the CIP standards by adding a new level of responsiveness as NERC moves to monitoring for extended business hours in addition to using an on-duty person. Mr. Assante stated the room would also be used for coordination of major events analysis. NERC is not involved in operation management on the grid nor does it actively monitor the grid. The situation awareness room will provide NERC the capability to receive reports and triage cyber events or suspicious activity and to put together lessons learned in the future as it relates to cyber security.

Technical Feasibility Exception (TFE) Process

Mr. Assante provided an update on the TFE Process. He reported the second phase of the process is underway and a new approach to TFEs was designed based on the stakeholder input received during the phase one comment period, in March 2009, along with comments received during the NERC budget review process. NERC and the Regions worked together to compile and evaluate the comments and the resulting joint program proposal was posted for an extended 49-day comment period. Mr. Assante stated NERC has worked with the Regions in compiling and evaluating this set of comments for consideration of modification of the program. Mr. Assante stated in order to implement, a change to the NERC Rules of Procedures will be necessary. It will become an annex to the compliance function of the Rules of Procedure and will go to the NERC Board of Trustees for approval before being filed in Canada and with FERC for their concurrence. NERC's intent is to deploy the TFE program on an interim basis.

ESSG Activity

Michael Assante reported the ESSG has met several times and between meetings ESSG members are kept informed on CIP and Homeland Security issues through regular email communication. To date, calls have been conducted in a listen-only mode; more interaction is planned for future calls, however, this is always left to the preference of the steering group's chair. Mr. Assante stated he expects regular participation with the CIPC Chair on future meetings. The ESSG provides strategic guidance to the ESCC and the ES-ISAC.

Mr. Assante informed the CIPC the ESSG does have its own page on the NERC Web site. Currently, the committee roster can be located on the ES-ISAC Web page, along with its charter, but this will be relocated to the ESSG's Web page.

NERC CEO Search

Mr. Assante informed the CIPC that a search committee was formed consisting of all ten of NERC's independent trustees. The search committee has selected Russell Reynolds Associates as its search consultant to identify and conduct the initial screening of candidates for the chief executive officer position. The search committee plans to select a final candidate in the November/December timeframe with the goal of completing the transition to a new chief executive by January 2010. A letter was provided by the NERC Board of Trustees to the stakeholders and can be found at:

<http://www.nerc.com/fileUploads/File/Careers/Nominations-Request.pdf>.

FERC Order 706 Drafting Team Update

Scott Mix, manager of infrastructure security, presented an update of drafting team activity; the status of the concept paper [Categorizing Cyber Systems: An Approach Based on BES Reliability Functions](#), and comments received; the FERC TIER announcement; and the schedule for the development of CIP standards. **(Presentation 3h)**

Upon conclusion of Mr. Mix's presentation, an informational discussion ensued regarding the letter from ReliabilityFirst on the CIP Standards Implementation Plan. CIPC took no formal action.

HILF Workshop Update

Mr. Assante reported that HILF events, specifically electromagnetic pulse, were discussed as part of the July 21 Congressional testimony. He explained that High-Impact, Low-Frequency (HILF) risks are events

capable of overwhelming how the industry plans to operate the bulk power system. HILF events are those risks whose likelihood of occurrence are uncertain relative to other threats, but could significantly impact the system were they to occur. HILF events include electromagnetic pulse events, geomagnetic storms, pandemic influenza, and coordinated cyber attacks. Mr. Assante stated these risks cannot be looked at in isolation as they can impact multiple infrastructures at once.

NERC wants the industry to possess a common understanding of these risks and to engage in dialogue with risk experts to evaluate the risks of HILF events to the BPS. To represent the public-private nature of these events, NERC and DOE will co-sponsor a workshop and will be jointly responsible for the logistics and planning. A steering committee has been formed of both risk and industry backgrounds to review the impacts of HILF events and to oversee planning and management of the workshop. The workshop steering committee will report their planned approach to the ESSG for guidance and concurrence, while informing and receiving input from the NERC Technical Committee officers.

The HILF Steering Committee held their inaugural conference call September 11, 2009 to review its charter and begin discussing key elements of the workshop. A 2-day workshop is planned for the week of November 9, 2009 at the Hyatt Regency Washington on Capitol Hill. The Steering Committee will hold a call on September 25 to define workshop deliverables; further discuss meeting format and architecture; and discuss outreach to speakers and invitees.

EMP Executive One Pager

The Executive EMP brief can be found at the following Web page:

<http://www.nerc.com/fileUploads/File/CIP/EMP-Geomagnetic-Exec-Brief%281%29.pdf>.

NERC CIP Education Initiative

Mr. Assante briefed the CIPC on the CIP Education Initiative, developed as a result of the industry's request for more accurate information on complying with CIP standards. Mr. Assante stated this is an important initiative as the need to have information available in support of implementing CIP standards became very clear from the 3-year performance assessment process. NERC staff, concerned how best to provide information to the industry, has chosen Energy Central to develop and conduct a series of Webinars. NERC did guide development of content to ensure accurate information is presented, but NERC will not present. Presentations will be made by experts throughout the industry. The Webinar sessions can be found listed in **Presentation 3**.

NERC Alert Process

Michael Assante presented an update on the NERC Secure Alert Tool. NERC is continuing to improve its ability to communicate in a time sensitive fashion. Mr. Assante explained the current Alert system is email-based and is sent to the Primary Compliance Contact (PCC). The new system will be internet-based, allowing more features for better control of how the Registered Entities will receive alerts and enabling the PCC to designate anyone in the Registered Entity to receive the alerts, and will additionally allow for tracking of responses. While this tool was developed to distribute alerts to the Registered Entities of the BPS, it will not be limited to just that function. In the future, the ES-ISAC will have the ability to bring on non-registered entities. These non-registered entities will receive only advisories and will not receive recommendations to the industry or essential actions. Mr. Assante explained all notifications will come from alerts@nercalerts.com. Users will need to log in and authenticate in order to

view the alert. The timeline for the NERC Secure Alert training, deployment, and follow up can be found in **Presentation 4**.

H1N1 Update

Dave Baumken of HydroOne and Stuart Brindley of IESO presented an update on the H1N1 Pandemic and pandemic planning within the industry. Mr. Baumken explained that while the working group reviewed the existing sector pandemic planning guidance documents, they focused on identifying the lessons learned to date from the H1N1 Pandemic. The existing guidance document will be revised as needed and the PIWG will continue to monitor the H1N1 situation and as required will advise to the ES-ISAC. The working group issued an advisory on the H1N1 on August 12, 2009, and they anticipate more advisories to follow as the fall and winter flu season, including H1N1 virus, progresses. (**Presentation 5**)

Recent BPS Incidents

Stan Johnson reported on recent incidents on the BPS. (**Presentation 6**)

Situation Awareness for FERC, NERC, and the Regions (SAFNR)

Stan Johnson provided a brief update on the SAFNR Project. He explained June 1, 2009 was the target date for launch of the project with the goal of indentifying a common set of situation awareness indicators and defining a common display model to be implemented by Reliability Coordinators (RCs) and made available to FERC, NERC, and the Regions via the Internet. The SAFNR team has worked to indentify a set of common indicators that each RC agreed to display. However, because it was necessary to revise the Operating Reliability Data Non-Disclosure Agreements (ORD NDA) to address data sharing and data disclosure issues, the displays that were available on June 1 are unique to each RC. FERC, NERC, and the Regions agreed that this approach provides improved situation awareness, but will work to continue to meet the project's original goals. The revised ORD NDA was sent to and approved by the NERC Board of Trustees May 6, 2009.

Mr. Johnson commended the RCs for their work in getting their unique geographic displays on-line to begin improving situation awareness. Mr. Johnson stated a meeting between NERC, FERC, the Regions, and the RCs is planned for September 29, 2009 in Charlotte, North Carolina to review progress over the 2009 Summer.

North American Synchro-Phasor Initiative

Scott Mix gave a presentation addressing the application of CIP standards to synchrophasor implementations (**Presentation 8a**). In his presentation, he explained that while most synchrophasor applications are not critical to the operation of the BPS today, they could become one as applications develop and mature. Mr. Mix's presentation provided the context for asset owners to discuss and develop thinking about future phasor applications relative to the Critical Cyber Asset (CCA) threshold.

Stan Johnson provided a brief history of synchrophasor technology, current status, and updates on China's use of the technology (**Presentation 8b**). Mr. Johnson explained dedicated networked phasor measurement units currently number 53 out of 110+ in the West, with CAISO, BPA, and SCE as central collection points. In the East, 76 of 100+ phasor units are networked, with TVA as the hub, and PJM and NYISO as Beta sites for the next data concentration sites. Mr. Johnson explained their value in events analysis and discussed current NASPI Working Group activities.

CIPC Organizational Issues Review – CIPC Executive Committee

Chairman Lawson reported that, during the CIPC EC's meeting in Atlanta, he discussed with the executive committee streamlining the CIPC to function more effectively without long-term working groups or task forces. Rather than multi-year assignments, the CIPC should create task forces with specific charges, and upon completion of the work product, the task forces should be retired. Mr. Lawson explained this approach may additionally garner more volunteers. The committee briefly discussed the value in being agile as a committee in forming taskforces as needed. Mr. Lawson encouraged CIPC members to send their thoughts and comments to him, and stated the CIPC EC intends to present this again for further discussion at the December meeting of the CIPC.

Security Operating

Approval of ES-ISAC Working Group Retirement

Chairman Lawson reported the executive committee met mid-August and discussed whether there was a need to continue the ESISAC Working Group. Mr. Lawson explained that the CIPC EC reviewed the minutes of the last several meetings and found that work for the group had slowed and had become less defined. The executive committee has decided to retire the working group in order to streamline and place focus on other items such as guidelines work. Mr. Lawson turned the discussion over to Larry Bugh, chairman of the ES-ISAC Working Group to provide background of the working group and items accomplished over the past several years. Mr. Bugh stated two unfinished items could be taken to the next step through the use of the NERC Secure Alert System: 1) The vetting procedure for access to HSIN, and 2) A new incident reporting form.

Security Planning

Review and Approve CIPC-EC Recommendations for CIPC Security Guidelines

Scott Webber gave a presentation on the security guidelines recommendation by the CIPC EC (**Presentation 11**). Upon approval of the recommendations, the CIPC will develop a reference document, to post on the CIPC Web page, to include Web links and other references for topics that were covered in retired guidelines. Additionally, the CIPC will need to assemble task forces and working groups to complete the document preparation, as well as to revise and combine the remaining guidelines as described in the recommendation.

Upon conclusion of Mr. Webber's presentation, on motion by Tom Glock and seconded by Bob Canada, the CIPC voted to approve the recommendations.

Time Stamping of Operational Data Logs Guideline Update

Mark Engels presented a brief update for the Control System Security Working Group (CSSWG) on the Time Stamping of Operational Data Logs Guideline. He reported the kick-off meeting of the CSSWG was held on September 11, 2009 and assignments were made based on 37 pages of comments received from 13 entities. The CSSWG plans to develop a response to the comments and to bring their recommendation to CIPC in December. Additionally, Mr. Engels informed the committee the CSSWG will be refreshing its distribution list and finalizing its voting members and the CIPC should expect to receive related emails soliciting involvement in the working group.

Risk Assessment Working Group

Greg Fraser updated the CIPC on the Identifying Critical Assets Guideline and the Identifying Critical Cyber Assets Guideline.

Mr. Fraser reported the Identifying Critical Assets Guideline was submitted for industry review for a 45-day comment period from April 1, 2009 to May 15, 2009. NERC staff received 37 sets of comments. The RAWG completed the consideration of comments document and modified the guideline based on comments received. On August 18, 2009, the RAWG sent all documents to the CIPC EC. Proposed modifications to the guideline can be found in **Presentation 13**. The final version of the guideline is now ready for a CIPC vote. If approved, the guideline will be forwarded to the Standards Committee for consideration and posting as a guideline in support of the standard CIP-002 versions 1 and 2. On motion by Tom Glock, the CIPC approved the Identifying Critical Assets Guideline.

The Identifying Critical Cyber Assets Guideline is planned to be sent out for broad stakeholder comment after approval at the December 2009 CIPC meeting.

Agency Reports

Department of Homeland Security

Cathy Eade of the Department of Homeland (DHS) Security briefed the CIPC on plans for the classified briefing to be held December 9, 2009 prior to the CIPC meeting in Atlanta at the Secret Service Headquarters. Ms. Eade explained more details would be provided as the date draws closer.

Christie Riccardi, also of DHS, provided a presentation on the information-sharing environment for critical sectors and the elements necessary to ensure successful information sharing: policy/governance, content, and process, along with technology. (**Presentation 14**)

Department of Energy

Ken Friedman of the Department of Energy (DOE) provided an update on activities including the Energy Sector Annual Report, which DOE creates for the Department of Homeland Security highlighting activities in the sector. Mr. Friedman also discussed DOE's recent restructuring and reorganizing into three separate directorates. He stated DOE will send the new organization chart along with contact names to NERC. He additionally briefed the CIPC on reports currently in development by the National Infrastructure Advisory Council (NIAC) and GAO requests for information.

Public Safety Canada/Royal Canadian Mounted Police

No report.

Federal Energy Regulatory Commission

No report.

Follow-up Items and Future Actions

Chairman Lawson acknowledged Tom Glock's service as Vice Chair of the CIPC. Mr. Glock's term as vice chair will be ending at the end of 2009. Additionally, Mr. Lawson reminded the CIPC to expect in the coming months work to begin on forming task forces for the guideline work, and to also expect communication from Mark Engels about refreshing CSSWG's membership. In closing, Mr. Lawson highlighted possible agenda items for the next meeting of the CIPC, including CIPC organization,

approving the Identifying Critical Cyber Assets Guideline for broad industry comment and final approval on the Time Stamping Guideline, as well as a possible presentation from the CDC and an HSAS update.

Mr. Roxey confirmed the following future meetings of the CIPC:

- December 9–10, 2009 (Atlanta, GA), *a secure briefing is planned to be held in conjunction with this meeting.*
- March 17–18, 2010 (Phoenix, AZ)
- June 16–17, 2010 (Vancouver, British Columbia)
- September 15–16, 2010 (Dallas, TX)
- December 8–9, 2010 (Orlando, FL)

Adjournment

There being no further business, on motion by Robert McClanahan and seconded by Tom Glock, Chairman Lawson adjourned the meeting.

Submitted by,



Tim Roxey
Secretary

Thoughts on ERO Directions

Gerry Cauley

December 8, 2009

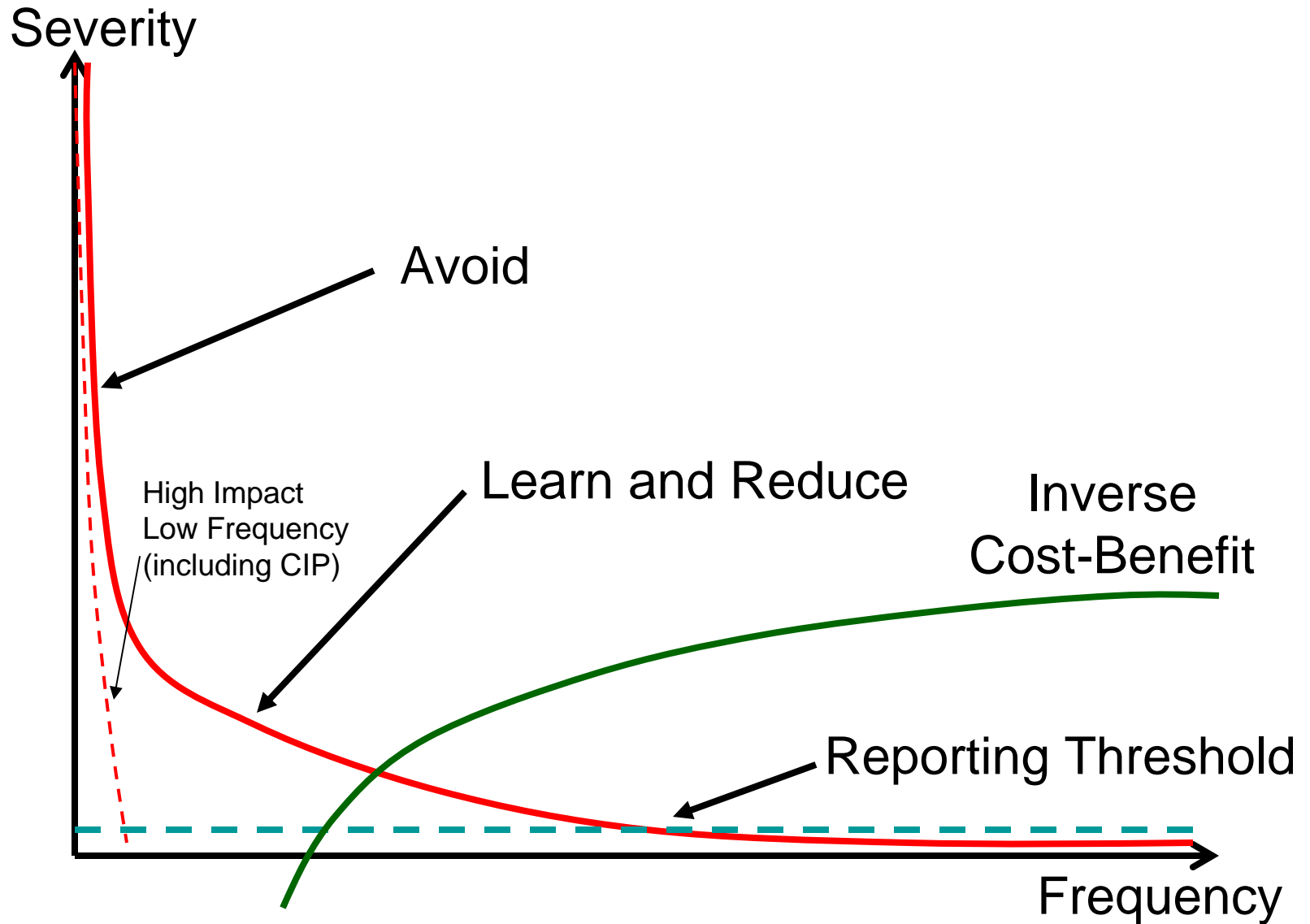
Incoming Perspectives

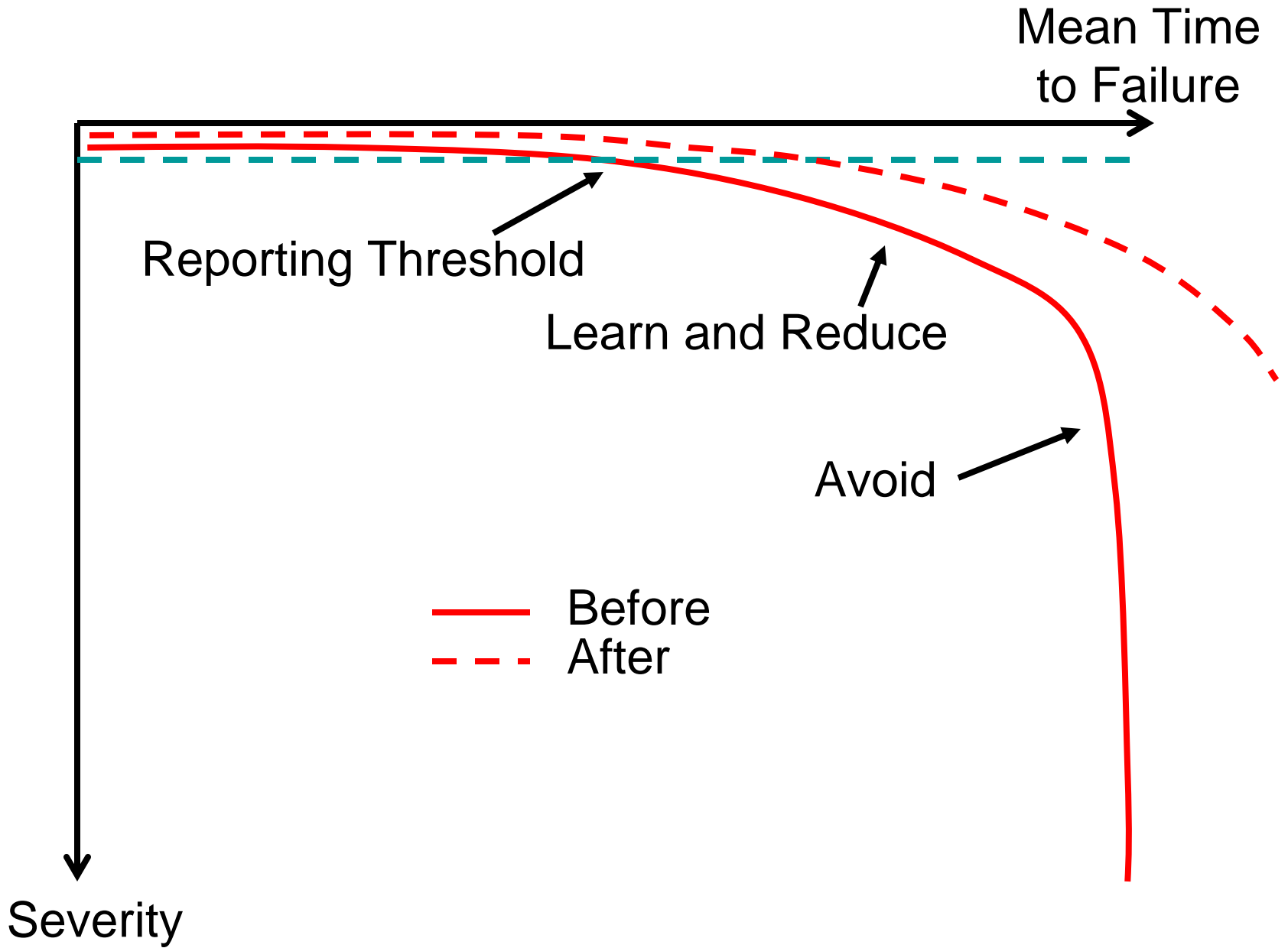
- NERC has achieved a lot as ERO start up
 - Initial reliability standards
 - Compliance program
 - Reliability assessment & performance metrics
 - Critical infrastructure program
- Many things left to accomplish
 - Results-based standards
 - Reliability risk analysis and mitigating actions
 - Compliance excellence & process improvements

ERO Vision

- Self-regulatory organization
- ERO enterprise concept
 - Effective regional delegation
 - Active stakeholder engagement
 - Role of committees
 - Decisional transparency
- Firm but fair oversight and enforcement
- Effective governance
- International perspective

Cornerstone of risk-management concepts





Reliability Standards

- Demonstrate results-based standards
- Streamline standards process
- Prioritize development based on reliability
- Positive relationships and trust
- Guidance and training for drafting teams

Compliance

- Team approach between NERC and regions
- Transparency of process and results
- Streamline process for minor cases
- Risk-based monitoring and enforcement
- Incentivize compliance excellence

Reliability Event Analysis and Performance Improvement

- Experience-based learning and improvement
 - Root cause analysis
 - Trends
- Incent active engagement of registered entities
- Better coordination of roles
- Timely publication of lessons learned

Critical Infrastructure Protection

- Policy on what we're protecting against and acceptable outcomes
- Balanced portfolio of responsible protection, mitigation, and recovery actions
- Better information sharing from government

What Can Stakeholders Do?

- Define expectations on critical cyber assets
- Develop methods to quantify and manage reliability risk per 'risk curve'
- Evaluate event reporting criteria and risk-based analysis process; develop solutions
- Produce initial results-based standards; prioritize and streamline standards development
- Transition from focus on compliance with minimum set of standards to compliance excellence