

Meeting Agenda Critical Infrastructure Protection Committee

September 15, 2010 | 1 p.m. – 5 p.m.
September 16, 2010 | 8 a.m. – noon
Denver, Colorado

Administrative Matters

Antitrust Compliance Guidelines

Consent Agenda – Approve

1. **Approval Minutes** 30 min
 - [June 16, 2010 Meeting](#)

Regular Agenda

2. CIPC Chair Report – Barry Lawson 30 min
 - a. Board of Trustees Highlights – Barry Lawson
 - b. Electricity Sub-Sector Coordinating Council and PCIS Update – Barry Lawson
 - c. Washington, D.C. Update – Barry Lawson
 - d. Executive Committee Activities
3. CSO Address – Mark Weatherford 30 min
4. NERC / ES-ISAC Updates – Mark Weatherford 120 min
 - a. FERC Order 706B Update – Tim Roxey
 - b. Technical Feasibility Exception (TFE) Process – Tom Hofstetter
 - c. * Critical Infrastructure Strategic Initiatives: Coordinated Action Plan Report – Mark Weatherford and Stuart Brindley – **Approve**
 - i. Discuss and determine CIPC actions needed to address CIPC assigned activities in the report
 - d. FERC Order 706 Drafting Team Update – Scott Mix
 - e. Results-Based Standards Update – Scott Mix
 - f. Advisories Update – Tim Roxey
 - i. Aurora Advisory

- ii. Remote Access/VPN Advisory
 - iii. Siemens Advisory
 - g. Update on Changes to Standards Development Process
 - h. CAN Process
 - i. NERC CIP Sufficiency Audits – Mark Engels and Ralph Anderson
 - j. NERC CIP / SAIS Organization Update – Mark Weatherford
5. * Executive Committee Elections – Robert McClanahan 15 min
 6. Working Group / Task Force Updates – Barry Lawson 90 min
 - a. CSSWG – Mark Engels (15 min)
 - b. Substations Guideline Task Force – Allen Klassen (15 min)
 - c. Protecting Sensitive Information Guideline Task Force – Nathan Mitchell (15 min)
 7. UA SAR for Remote Access Update – Scott Mix 30 min
 8. Copper Theft Update – Ralph Anderson 15 min
 9. Advance Persistent Threat – Jim Brenton 15 min
 10. Cyber Security for Energy Delivery Systems (CEDS) Peer Review Workshop Overview – Scott Mix 15 min
 11. Standards Drafting Team DSR Update – Bob Canada 30 min
 12. Recent BPS Incidents – Scott Mix 10 min

Agency Reports 30 min

13. Department of Homeland Security
14. Department of Energy
15. Public Safety Canada / Royal Canadian Mounted Police
16. Federal Energy Regulatory Commission

Closing 5 min

17. Follow-up Items and Future Actions – Barry Lawson
18. 2010 Future Meetings – Scott Mix
 - December 8–9, 2010 (Tampa, FL)

* Background material 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.

Critical Infrastructure Strategic Initiatives: Coordinated Action Plan Report

Action Required

1. Approve the direction of the draft *Critical Infrastructure Strategic Initiatives Coordinated Action Plan* formulated to address:
 - The proposals for action presented in the “*High-Impact, Low-Frequency Event Risk to the North American Bulk Power System*”¹ report
 - The direction provided by the Chair of NERC’s Board of Trustees
 - Alignment with the strategic initiatives identified in the Electricity Sub-Sector Coordinating Council’s *Critical Infrastructure Strategic Roadmap*.² Seek comments on the Action Plan by PC-OC-CIPC by September 24, 2010 to mark.lauby@nerc.net
2. Approve the authorization of the technical committee officers to consider the comments in formulating the final Action Plan for presentation to the NERC Board of Trustees at their November 4, 2010 meeting.
3. Approve the scope for the Spare Equipment Database Task Force.
4. Approve the scope for the Geomagnetic Disturbance Task Force.

Background

1. On May 17, 2010, NERC’s Board of Trustees approved the report, entitled “*High Impact, Low Frequency (HILF) Event Risk to the North American Bulk Power System.*” Subsequently, a series of efforts were undertaken leading to the development of a draft Action Plan, including the following:
 - The officers of the PC-OC-CIPC and NERC staff formulated an initial approach to addressing the proposals for action identified in the HILF Report, including initial proposals for scenarios for coordinated physical attack, coordinated cyber attack, and geomagnetic disturbance (GMD) events.
 - The Chair of NERC’s Board of Trustees issued a letter to the technical committees requesting development of an action plan to address the proposals for actions
 - The Electricity Sub-sector Coordinating Council (ESCC) was formed, and conducted a strategic planning session which led to development of a draft “*Critical Infrastructure Strategic Roadmap*” that is in alignment with the scenario priorities, the technical committee initial approach, and identifies technical committee support functions.
 - The principle strategic objectives being to provide demonstrated deliberate progress toward addressing the HILF proposals for action and thereby enhancing the reliability, resiliency, mitigation, recovery, and security of the bulk power system, while enhancing government-industry communications.
 - These efforts led to the development of a draft Action Plan. In tandem with the Action Plan, a communications plan is under development that would articulate actions planned consistent with the above. The draft Action Plan (download at http://www.nerc.com/docs/hilf/CIP_Coordinated_Action_Plan_083110_V5.pdf)

¹ HILF report http://www.nerc.com/docs/hilf/HILF_Event_Risk_to_BPS.pdf

² See Agenda Item 2 of http://www.nerc.com/docs/escc/ESCC_30Aug10_agenda.pdf

identifies priorities, milestones, and ‘lead’ technical committees to formulate proposed improvements and provides indicated deliverables.

The technical committee chairs/vice-chairs request concurrence/comments from the membership by September 24, 2010 on the directionality of this Action Plan, and specific comments on the contents. The technical committee leadership further requests a strategic view of aligning or adjusting overall priorities within the existing work plan.

2. The technical committee chairs/vice-chairs request authorization from the members to consider their comments and formulate the final Action Plan in time for the upcoming Board meetings in early November.
3. The purpose of the Spare Equipment Database Task Force (SEDTF) is to develop a whitepaper with recommendations/conclusions on spare equipment availability requirements, along with database specifications. Ultimately, this database should be populated through a NERC Data Authorization request (Rule 1600 of the Rules of Procedure)³ with spare equipment vital to the recovery process of the bulk power system from physical attacks and GMD (**Attachment 1**). This task force will support the Action Plan, work plan items: 1) G - Critical Spares, and 2) P- GMD – Restore the Bulk power System.
4. Severe-impact geomagnetic disturbance events present risks and vulnerabilities that may not be fully addressed for HILF events in conventional bulk power system planning, design, and operating processes. The Geomagnetic Disturbance Task Force (GMDTF) will develop a technical white paper describing the evaluation of scenarios of potential GMD impact, identifying key bulk power system parameters under those scenario conditions, and evaluating potential reliability implications of these incidents. Based on these technical foundation elements, identify potential mitigation, recovery, planning, and operational approaches that mitigate this risk (**Attachment 2**). This activity supports the Action Plan (Scenario 3, Items M, N, O, and P).

Status Report

1. NERC staff and technical committee leadership held one face-to-face meeting and three conference calls to develop, prioritize, and rank the Action Plan activities.
2. The technical committee leadership and NERC staff are continuing to formulate effective approaches to remain in alignment with ESCC Strategic Roadmap and the Board of Trustees guidance.
3. The Action Plan represents a long-term deliberate approach to address the HILF risks to the bulk power system and once finalized will be integrated within the multi-year work plan for each technical committee

³ http://www.nerc.com/files/NERC_Rules_of_Procedure_EFFECTIVE_20100610.pdf

EC Elections

Action Required

Vote on Nominating Sub-Committee's slate of candidates to fill vacancies on the Executive Committee

Background

Due to recent resignations of two CIPC members who serve on the Executive Committee, CIPC approved the nomination of Robert McClanahan to the position of Nominating Sub-Committee Chair. Mr. McClanahan will present a slate of candidates to fill the two vacancies on the Executive Committee.