

Critical Infrastructure Protection Committee

Thursday, September 27, 2007 — 8 a.m. to 5:00 p.m.
Friday, September 28, 2007 — 8 a.m. to 12 noon

Cervantes Convention Center
701 Convention Center Plaza
St Louis, Missouri

(PLEASE BE PREPARED TO STAY FOR THE ENTIRE MEETING.)

Meeting Agenda

- 1. Administrative Matters** 60 min
- a) Arrangements Stan Johnson
 - b) Announcement of quorum Stan Johnson
 - c) Procedures Stan Johnson
 - *d) NERC Antitrust Compliance Guidelines Stan Johnson
 - e) Parliamentary procedures Stan Johnson
 - f) Introduction of members, alternates, and associates Stan Johnson
 - g) **Approval** of agenda Stuart Brindley
 - *h) **Approval** of June 7-8, 2007 CIPC meeting minutes Stuart Brindley
 - i) **Election** of Chairman and two Vice-Chairmen — Larry Dolci
- 2. Information Items**
- a) CIPC Executive Committee report Stuart Brindley 60 min
 - 1. Board of Trustees report Stuart Brindley
 - 2. ESCC and PCIS Update — Stuart Brindley
 - 3. Summary of September 26 Work Planning Meeting with WG/TF leaders
 - 4. Nominating Committee report — Larry Dolci
 - 5. Report from August 16, 2007 Classified DHS Briefing — Barry Lawson
 - 6. Standing Committee Coordination Group — Stan Johnson
 - a. “Adequate Level of Reliability”
 - b) NERC report Stan Johnson 120 min
 - 1. NERC update
 - 2. Situation Awareness — Infrastructure Security Update
 - 3. Situation Awareness Tool — Scott Mix & PJM Representative
 - 4. NERC Response to FERC NOPR on CIP 002-009 — Scott Mix

- c) ESISAC report Stan Johnson 60 min
 - 1. June 21, 2007 DPCD Advisory update — Stan Johnson
 - a. Survey Results
 - b. Status Update
 - c. Lessons Learned-Discussion and Recommendation
 - d. ES-ISAC Participation in TOPOFF 4
- 3. Security Operating** 60 min
- a) ESISAC Working Group Larry Bugh
 - 1. Incident Reporting Guideline Review
 - 2. HSIN Update
 - b) Risk Assessment Working Group — Greg Fraser
- 4. Security Planning**
- a) Security Guidelines Working Group — Scott Webber 15 min
 - 1. Review status of revised and new guidelines
 - 2. Review guideline process
 - b) Cyber Security Standards Education Team — Larry Bugh 10 min
 - 1. “How” Workshops Update
 - c) Update of Control Systems Security Working Group — Robin Goatey 15min
 - 1. Roadmap initiative update — Hank Kenchington
- 5. Work Planning for CIPC and the Working Groups** 120 min
- a) ES-ISAC Working Group — Larry Bugh
 - b) Control Systems Security Working Group — Robin Goatey
 - c) Security Guidelines Working Group — Scott Webber
 - d) Outreach Working Group — Wally Johnson
 - e) Risk Assessment Working Group — Greg Fraser
- 6. Agency Reports** 45 min
- a) Department of Homeland Security
 - b) Department of Energy
 - c) Public Safety Canada
 - d) Federal Energy Regulatory Commission
- 7. Closing**
- a) Follow-up items and future actions Stuart Brindley 10 min
 - b) Future meetings Stan Johnson 5 min

2007

December 13–14 Orlando, FL

2008

March 13–14 San Antonio or Dallas, TX

June 5–6 Toronto, Canada

September 11–12 Boulder or Denver, CO

December 4–5 Orlando, FL

* Indicates attachment is included in agenda packet

Bolded **Approval** indicates a vote will be taken.

NERC 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.

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 and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Reliability Standards Process Manual
- Organization and Procedures Manual for the NERC Standing Committees
- System Operator Certification Program

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.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

Critical Infrastructure Protection Committee Meeting

June 7 – 8, 2007
Vancouver, British Columbia

Meeting Minutes

A regular meeting of the Critical Infrastructure Protection Committee (CIPC) was held on June 7–8, 2007 in Vancouver, British Columbia. The meeting notice, agenda, and attendance list are affixed as **Exhibits A, B** and **C**, respectively. Meeting presentations that are publicly available may be found at: <http://www.nerc.com/~filez/cipmin.html>.

Chairman Stuart Brindley presided.

Secretary Johnson announced a quorum of 28 members of the possible number of 33 was present or represented by proxy.

- 1) Nathan Mitchell for Mike Hyland
- 2) David Godfrey for Sandy (James) Brewer
- 3) Brad Hyland for Bob Richart
- 4) Ann Delenela for Jim Brenton
- 5) Tom Flowers for Bill Bojorquez
- 6) Robin Goatey for Mark Engels
- 7) Jack Bernhardsen for James Sample

Antitrust Guidelines

Secretary Johnson reviewed the prohibited and permitted activities during a NERC meeting. Any questions or concerns can be addressed to Secretary Johnson or NERC counsel David Cook.

Introductions of members, alternates, associates and guests

Everyone present introduced themselves.

Logistics

The secretary reviewed the meeting arrangements, site requirements, and agenda adjustments.

Parliamentary Procedures

Secretary Johnson indicated Robert Rules of Order would be used in the conduct of the meeting, if necessary to provide structure to the debate or decision making process.

Approval of Agenda

The agenda was approved on a motion by Bob Windus, seconded and a vote of 28-0 by CIPC.

Approval of March 22, 2007 CIPC Meeting Minutes

The minutes of the previous meeting were approved on a motion by Todd Thompson, seconded and a vote of 28-0 by CIPC.

Information Items

Executive Committee Update — Chairman Brindley updated CIPC on the activities of the Executive Committee. See power point presentation titled [CIPC Executive Committee Update](#). He provided a summary of CIP-related items discussed at the May 1-2 NERC Board meeting, including the discussions recognizing the value of Security Guidelines and the interest of the Board in continuing to approve them. NERC legal counsel is considering revising the NERC Rules of Procedures to include the resolution language used to approve the guidelines. This should help address concerns expressed by some NERC members that the Guidelines could be interpreted as mandatory. He thanked CIPC members for their positive endorsement of the Energy Sector Specific Plan, which will be presented for endorsement at the next NERC Board meeting. He discussed the Risk Assessment Working Group, the need for a new chairperson, and the work to be accomplished by the working group. He discussed the NERC wide effort, being led by the Operating Committee, to define “Adequate Reliability”. He outlined the proposed agenda for the next meeting with the joint Energy Government Coordinating Council scheduled for July 16. He reviewed the activity of the Partnership for Critical Infrastructure Security (PCIS) including completing their first PCIS business plan and the election of the new chairperson, Mike Wallace from the Nuclear Sector to replace Stuart Brindley. He closed the PCIS discussion by reviewing the difficulties experienced in getting private sector personnel assigned to HITRAC on a part-time basis, an update on pandemic planning in the critical infrastructures and the lack of progress being made with the Homeland Security Information Network (HSIN) with some other critical infrastructure sectors.

Nominating Committee Report — Roger Lampila presented the report of the nominating committee for the chairperson and two vice chairs. These nominated officers will stand for election in September:

- Barry Lawson — National Rural Electric Cooperative Association — Chairperson
- Bob Canada — Southern Company — Vice Chair
- Tom Glock — Arizona Public Service Company — Vice Chair

NERC Report — Stan Johnson presented the NERC report. He summarized current NERC staffing levels and key areas of focus.

Situation Awareness and Infrastructure Security Update — Stan Johnson reviewed the latest SAIS business plan, active CIPC working groups with their leadership and NERC staff facilitator. See [CIPC power point presentation](#) for details.

Cyber Security Standards Update — Scott Mix provided an update on the status of CIP 002-009. See power point presentation for current [status of NERC Standards](#). FERC is working on completing The Notice of Proposed Rulemaking (NOPR) and is expected to issue it at the July 19, 2007 meeting.

Adequate Reliability Discussion — Stan Johnson led a discussion about the NERC wide effort to define “Adequate Reliability (mentioned earlier in Chairman Brindley’s remarks). He discussed the history of the issue and described the important dimensions of the decisions to be made. The Operating Committee has the lead for the NERC community. See [Adequate Reliability](#) power point presentation for details.

ESISAC Report — Stan Johnson presented a statistical review of activity since the last CIPC meeting, including major events that have occurred. He then reviewed the “Social Engineering” incident that impacted five utilities in the Midwest and the resolution of the incident when the FBI determined a personnel recruiter had been contacting the companies, without malicious intent. He then reviewed major exercises coming up in the future including TopOff 4 and Cyber Storm 2008.

DOE Lab Presentation — Stan Johnson presented a PowerPoint presentation “Final Report – Electricity Delivery Focus Group” for Tom King, Oak Ridge National Laboratory. The presentation summarized the goals of the National Labs and active research projects underway at the labs for the benefit of the electricity sector. A copy of the presentation is available with these minutes.

Sector Specific Plan Status — Ken Friedman presented a power point presentation “[DOE CIP News in Brief](#)”. Ken updated CIPC on the Energy Sector Specific Plan and the implementation work remaining to develop metrics and measurements for the plan. He also described the annual CI/KR report being prepared for DHS. He then discussed the visualization work being done by DOE and the value it adds to the challenges involved in understanding interdependencies of the critical infrastructures.

Security Operating

ESISAC Working Group — Larry Bugh updated CIPC on the progress being made to develop incident reporting guidelines. See power point presentation entitled NERC ESISAC WG [Incident Reporting Guideline](#). He requested any and all comments on the draft guideline in the agenda packet be sent to him or Lynn Costantini by August 3rd.

EEI Pandemic Workshop — Larry Kezele reviewed the recent EEI Pandemic Workshop and highlighted The Business Continuity aspect of Pandemic Planning. See power point presentation “[Overview of EEI’s May 2007 Pandemic Conference](#)”. He encouraged CIPC members to spread the word about EEI’s Business Continuity workshop scheduled for November 1 in Atlanta, GA.

Pandemic Questionnaire — Stan Johnson presented a draft version of a questionnaire to be sent to the electricity sector to determine the progress being made in pandemic planning. Numerous comments and suggestions were received and will be included in the survey when it is finalized. See the [proposed survey](#) document that is attached to the minutes.

DHS Chemical Regulations — Bob Canada and Doug Green presented an excellent summary of the recently issued DHS Chemical Regulations. (See power point presentation “[DHS Interim Final Rule Establishing Anti-terrorism Standards for Chemical Facilities](#)”). Doug discussed the evolution of the regulations, the potential impact on the electricity sector and large unknowns still involved in the issue. CIPC members were encouraged to pay close attention to the issue as it unfolds and to be sure their organizations were watching it carefully.

Security Planning

Security Guidelines Working Group — Ron Niebo stood in for Scott Weber and reviewed three updated [security guidelines](#). He indicated they would be sent out to CIPC for an electronic ballot later in June.

Note: All three were approved by CIPC via electronic ballot and are on the August 1, 2007 NERC Board Agenda for approval).

Cyber Security Standards Education Team — Larry Bugh led a lively discussion about the next steps for education for the Cyber Security Standards (CIP002-009). After many ideas were expressed, the consensus of CIPC was:

1. There is no need for NERC led training for the “How to Comply” piece
2. There is not enough volunteers to present at multiple workshops
3. Regional training programs appeared to be the best balanced solution

[Question: Did Larry take an action to write the Regions to tell them this?]

Control Systems Security Working Group — Robin Goatey updated CIPC on the recent activity of CSSWG. He reviewed membership changes and the initial work on a wireless security guideline. Robin was awarded a plaque by Chair Brindley in appreciation for Robin’s work in leading the effort on the recently approved guidelines concerning Cyber Incident Preparedness. (See power point presentation [CSSWG update](#)).

Security Clearance Process — Ron Niebo and Cathy Eade of DHS made a brief presentation highlighting the steps involved in obtaining a U.S. Government Security clearance. He cleared up several questions and set clear expectations. (See power point presentation [Security Clearance Process](#)).

HSIN Discussion — Larry Bugh led an active and constructive discussion about next steps for HSIN by the electric sector. After a great deal of discussion, the following was agreed to:

1. HSIN should be developed as an information sharing tool.
2. NERC should look at updating and revising CIPIS to be the incident reporting tool for ES
3. CIPC needs to be very clear about what it requires from HSIN and the new and improved CIPIS.

This includes:

- a. What is the intent or purpose of the systems?
 - b. What is needed from a reporting mechanism?
 - c. How much information sharing is needed and /or desired within the sector and with other sectors (critical infrastructures)?
4. CIPC encouraged the ES-ISAC WG to try to keep the solution to simple, quick and usable.
 5. The ES-ISAC WG will work with the NERC IT group to develop specifications for the new and improved CIPIS.

* See power point presentation “[NERC ESISAC WG HSIN-ES Update](#)”.

Risk Assessment Working Group — Greg Fraser has agreed to be the new chairman of the group, replacing Ted Heller.

Agency Reports

US Department of Homeland Security — Cathy Eade reviewed the security clearance process and expressed her interest in getting to know and work with CIPC and its members.

US Department of Energy — Jim McGlone and Ken Friedman had no additional report.

Public Safety — No report.

Federal Energy Regulatory Commission – Mike Peters reported work continued on the CIP 002-009 NOPR.

Recognition — Bob Windus was recognized with a plaque for his outstanding contributions to NERC and CIPC. Bob was a charter member of the predecessor organizations to CIPC and was always one of the top contributors and a “go to, get it done” participant. Bob will be missed as he moves onto a healthy, happy and well deserved retirement.

(Note: CIPC met in closed session for 2 hours on June 7, 2007).

Future Meetings

September 27–28, 2007 — St. Louis, MO

December 13–14, 2007 — Orlando, FL