

Minutes Critical Infrastructure Protection Committee

June 10, 2009
Marriott Toronto Airport
901 Dixon Road
Toronto, ON M9W 1J5
416-674-9400

Critical Infrastructure Protection Committee Chair Barry Lawson called to order a duly noticed, regular meeting of the Critical Infrastructure Protection Committee (CIPC) on June 10, 2009 at 1 p.m., local time, and a quorum was declared present. The meeting agenda and list of attendees are attached as **Exhibits A** and **B**, respectively.

Chairman Barry Lawson presided.

Secretary Roxey announced a quorum was present or represented by proxy.

- James (Sandy) Brewer for Nathan Mitchell-APPA
- Chris McColm for Dave Baumken(to arrive late)-CEA
- Brad Hyland for Bob Richhart-NRECA
- Brian Malfant for Darren Myers-FRCC
- John Lim for Chuck Noble-NPCC
- Brian Hogue for Jean-Guy Ouimet-NPCC
- Charles Abell for Boyd Nation-SERC
- Darren Nielson for Tom Glock-WECC

NERC Antitrust Compliance Guidelines

Stan Johnson, manager of situation awareness, called attention to the NERC Antitrust Compliance Guidelines distributed with the agenda.

Introductions and Chairman's Remarks

Mr. Johnson called for introductions of members of the CIPC and other attendees. CIPC Chairman Barry Lawson introduced NERC Board of Trustee member Janice Case and thanked her for her interest and attendance. All other members and attendees introduced themselves.

Approval of Agenda

The agenda was approved on a motion by Robert McClanahan.

Minutes

Chairman Lawson made an announcement that approval of the December 3, 2008 and March 18, 2009 meeting minutes would be deferred to the September 2009 CIPC meeting.

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/docs/cip/CIPC_Presentations_10June09.zip

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.

Chairman Lawson stated at its upcoming September meeting, the CIPC would likely have a recommendation from the CIP-EC and the Security Guidelines Working Group on whether to retire certain CIPC Security Guidelines that are not electricity sector-specific and where such information is readily available from other public sources.

Board of Trustees Highlights

Chairman Lawson presented an overview of the material covered at the May 2009 meeting of the NERC Board of Trustees. He reported the NERC board was informed of plans underway for a joint CIPC-EC and ESSG meeting being tentatively planned for later this year. Chairman Lawson also reported the CIPC-EC continues to provide guidance and advice to the ES-ISAC on Alerts, indicating the active role that CIPC plays in the review of these notices.

Electricity Sector Coordinating Council and PCIS Update

Chairman Lawson summarized the recent activities within the ESCC, which included:

- Ongoing Alert advice/guidance
- Planning for a joint ESCC/GSCC meeting
- Some of the ongoing communications with DOE/DHS
- Sector Specific Plan updates to begin soon

Washington D.C. Update

Chairman Lawson reported NERC, along with U.S Department of Energy (DOE), U.S Federal Energy Regulatory Commission (FERC), APPA, and EEI, testified before the Senate Committee on Energy and Natural Resources on May 7, 2009 on draft cyber security legislation for the electric utility industry.

Nominating Subcommittee Selection of CIPC Leadership

Chairman Lawson recommended to the CIPC that Bob Canada serve as the chair of the Nominating Subcommittee and the committee approved. Mr. Canada will assemble a Nominating Subcommittee as described in the CIPC Charter. To this end, Mr. Canada requested volunteers to serve on the Nominating Subcommittee. At the September CIPC meeting, the Nominating Subcommittee will put forth a slate for chair and two vice chairs for the CIPC and a vote will be conducted as per the CIPC Charter. 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

NERC Trustee Comments

Ms. Case attended the entire CIPC and CIPC EC meetings and stated she was pleased with what she observed regarding time and effort of stakeholders. She also stated that other Board of Trustees' members should consider attending CIPC meetings, as well as those of the Operating Committee (OC) and the Planning Committee (PC), in order to develop a better understanding of the work and efforts of stakeholders.

ERO Three-Year Assessments

Mike Assante discussed how NERC sought comments from many stakeholders in the process of developing the required three year assessment. Mr. Assante continued with a description of the workshop that was held in Denver.

Mr. Assante then indicated the Web site where the three year assessments can be found was at <http://www.nerc.com/page.php?cid=1%7C8%7C303>.

NERC Update

Michael Assante, vice president and chief security officer, provided a brief overview of the agenda for the FERC Order 706B workshop scheduled for June 11, 2009. He mentioned that representatives from FERC, U.S. Nuclear Regulatory Commission (NRC) and the industry would attend either in person or by phone.

Mr. Assante stated that, based on a recommendation of the CIPC EC and through the Electricity Sector Information Sharing and Analysis Center (ES-ISAC), NERC has created a Pandemic Review Working Group to determine what additional steps the ES-ISAC should take in anticipation of potentially significant H1N1 impacts this fall/winter.

Cyber Readiness Preparedness Assessments

Tim Roxey, manager of critical infrastructure protection, presented a brief overview of the Cyber Readiness Preparedness Assessments (CRPA) project. He stated that the charter and a socialization document had been developed and approved. NERC is working with several entities who have expressed interest in undergoing such an assessment.

FERC Order 706B

Mr. Assante discussed the upcoming workshop on FERC order 706B which directs NERC to work with the Nuclear Power Plant owners and operators to bring the appropriate facilities into compliance with the requirements of the NERC CIP Standards. Mr. Assante described the workshop as intending to begin the necessary dialog on issues such as the implementation schedule.

Technical Feasibility Exception (TFE) Process

Mr. Assante described the basic approach to developing a process on how NERC and the Regions were going to handle the technical feasibility exceptions (TFE) that were anticipated.

ESSG Activity: Critical Asset Identification Task Force

Mike Assante covered the present DHS efforts in the area of Critical Asset Identification Task Force. This effort is designed to identify the most critical assets within various critical infrastructure sectors. Mr. Assante indicated there were two ways utilities could engage 1) as utilities you may be asked about assets that you own or operate, or 2) DHS will simply develop a list with or without utility input. Mike continued with a brief discussion on the criteria that is used for determining if an asset is on a list or not. Further efforts on the list criteria will be done by the ESCC.

The issue about the asset classification work has been briefed to OC and PC.

ES-ISAC Update: Computer Intrusions and Media Coverage

Michael Assante reported that the EI-ISAC had followed up on the various reports that had been circulating in the media, however, no reports to confirm the position of the media stories could be found.

Mike Assante quickly covered a DHS sponsored workshop held in Denver for the Industrial Control Systems Joint Working Group (ICSJWG) forum. This multi-sector effort is co-chaired by Tim Roxey for the Private Sector and Sean McGurk for DHS. Mr. Assante indicated that this was a formative meeting where the importance of such a forum to deal with electric sector control system challenges was discussed. Mark Engels from Dominion is the industry representative and NERC is participating as well.

White House Cyber Security Strategy Announcement

Michael Assante reported on attending a recent White House event where the White House announced its new Cyber Security Strategy. The actual link to the transcript is at http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-on-Securing-Our-Nations-Cyber-Infrastructure/.

Version 1 Violation Severity Level Update

Larry Bugh provided an overview of Version 1 Violation Severity Levels on NERC CIP standards, and the recent and pending activity of the CIP standards drafting team.

NERC Alert Process

Michael Assante reported the current processes and tools used by NERC to issue an Alert to the Registered Entities and others in the electricity sector have serious deficiencies. The process to prepare and issue an Alert is labor intensive, the ability to monitor industry response to an alert is low, and the security of any confidential information supplied by the entities to NERC is unsatisfactory.

Mr. Assante stated after reviewing several proposals from vendors, NERC has hired CERTREC Corporation to design and build a secure alerting system. CERTREC has developed the detailed specifications for the system after meeting with NERC staff for several days. CERTREC has experience with these kinds of systems from their experience in the nuclear industry. The system will be developed on a rapid development schedule and is expected to be operational later this year.

Boreas Working Group Update

Tim Roxey discussed how a Cyber vulnerability named Boreas was addressed by a task force of industry experts. The Taskforce had created several documents for guidance, one for the Vendor community, a general whitepaper and a guideline document for owners and operators. Mr. Roxey then discussed how the Vendor document was distributed to the vendor community through the DHS Industrial Controls Group which is comprised of the majority of the vendor community. Further work on the white paper and the draft advisory were discontinued due to the vendor release and the earlier Boreas advisory release.

Recent BPS Incidents

Stan Johnson reviewed the recent incidents on the bulk power system. The incidents were routine in nature and there was no discussion by CIPC members.

Situation Awareness for FERC, NERC, Regions-SANFR

Stan Johnson updated the committee on the SAFNR project. Although agreement on a common display model has yet to be reached, FERC, NERC, and the Regions have agreed to launch on June 1, 2009 to provide improved situation awareness. Displays unique to each reliability coordinator will be used to start, but work will continue to meet the project's original goals. Data sharing and data disclosure issues have been addressed through a revision to the NERC Operating Reliability Data Non Disclosure Agreement (ORD NDA), which NERC's Board of Trustees approved at its May 6, 2009 meeting.

Security Operating

ES-ISAC Working Group

CIPIS II Planning

Larry Bugh presented a brief report for the ES-ISAC working group. He reported the working group has not been active and the CIPIS II planning effort is on hold while the NERC Alert system is being developed. A decision will need to be made in the future for the future of incident reporting and the future of CIPIS.

Security Planning

Scott Weber gave a presentation on activity by the Security Guidelines Working Group in evaluating the non-sector-specific guidelines to be discussed at the September CIPC meeting.

Control Systems Security Working Group

Mark Engels presented a brief report for the Control System Security Working Group and reviewed the progress and status of the Time Stamping Guideline.

Risk Assessment Working Group

Greg Fraser updated the CIPC on the Critical Asset ID and Critical Cyber Asset ID guideline processes. The Risk Assessment Working Group received significant comments from stakeholders on the Critical Asset ID guideline and the final version of the guideline should be ready for a CIPC vote at the September meeting. If approved, the guideline will be forwarded to the SC for posting with CIP-002 as per the standards development procedure. The Critical Cyber Asset ID guideline will likely be sent out for broad industry stakeholder comment immediately after the December 2009 CIPC meeting.

Smart Grid-Cyber Security Issues — Instrument Society of America (ISA)

Ernie Rakaczky presented background information of the Automation Federation and the ISA standards organization as it relates to Smart Grid issues.

Mr. Assante stated the need for more involvement from the Energy Sector within the ISA effort.

Agency Reports

Department of Homeland Security

Cathy Eade of the Department of Homeland Security stated that the planning for the classified briefing for the December 2009 CIPC meeting in Atlanta is underway and that she would have more to report at the September 2009 CIPC meeting.

Department of Energy

No report.

Public Safety Canada/Royal Canadian Mounted Police

The Royal Canadian Mounted Police presented an outline of their current work activities. For more details please see their presentation available at:

http://www.nerc.com/docs/cip/CIPC_Presentations_10June09.zip.

Federal Energy Regulatory Commission

Jeff Swartz was recently hired by FERC and will be attending future CIPC meetings.

Follow-up Items and Future Actions

Chairman Lawson stated at the September 2009 CIPC meeting, the CIPC will likely be voting on the Critical Asset Guideline for final approval. In addition, he reminded the CIPC that at the September 2009 CIPC meeting an election will be held for CIPC chair and two vice Chairs. In closing, Chairman Lawson thanked Ms. Case for attending and participating in the CIPC meetings of the previous two days.

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

- September 17–18, 2009 (Dallas, TX)
- December 10–11, 2009 (Atlanta, GA), *a secure briefing is planned to be held in conjunction with this meeting.*

Adjournment

There being no further business, Chairman Lawson adjourned the meeting.

Submitted by,



Tim Roxey
Secretary

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Agenda Critical Infrastructure Protection Committee

June 10, 2009 | 1 p.m. – 5 p.m.

June 11, 2009 | 8 a.m. – noon

Marriott Toronto Airport

901 Dixon Road

Toronto, ON M9W 1J5

416-674-9400

1. Administrative Matters

- a. Arrangements – Stan Johnson
- b. Announcement of quorum – Stan Johnson
- *c. NERC Antitrust Compliance Guidelines – Stan Johnson
- d. Parliamentary Procedures – Stan Johnson
- e. Introduction of members, alternates, and associates – Stan Johnson
- f. **Approval** of agenda – Barry Lawson
- *g. **Approval** of December 03, 2008 CIPC meeting minutes – Barry Lawson
- *h. **Approval** of March 18–19, 2009 CIPC meeting minutes – Barry Lawson

2. Information Items

- a. CIPC Executive Committee Report – Barry Lawson
 1. Board of Trustees Highlights – Barry Lawson
 2. Electricity Sector Coordinating Council and PCIS Update – Barry Lawson
 3. Washington D.C. Update – Barry Lawson
 4. Nominating Committee Selection-CIPC Leadership – Barry Lawson
- b. NERC/ES-ISAC
 1. NERC Trustee Comments – Janice Case
 2. ERO Three Year Assessments – Michael Assante
 3. NERC Update – Michael Assante
 - a. Cyber Readiness Preparedness Assessments – Tim Roxey
 - b. FERC Order 706 B – Michael Assante
 1. Town Hall Meeting
 2. Implementation Plan
 - c. Technical Feasibility Exception (TFE) Process – Michael Assante

- d. ESSG Activity: Critical Asset Identification Task Force – Michael Assante
 - e. ES-ISAC Update: Computer Intrusions and Media Coverage – Michael Assante
 - f. White House Cyber Security Strategy Announcement – Michael Assante
 - 4. NERC Update – Michael Assante
 - a. Standard Drafting Team
 - b. Guidelines-FERC Order 706 B
 - c. Version 1 Violation Severity Level Update – Larry Bugh
 - 5. NERC Alert Process – Michael Assante
 - a. Recent Activity
 - b. Planned Improvements–CERTREC Project
 - 6. Boreas Working Group Update – Tim Roxey
 - 7. Recent BPS Incidents – Stan Johnson
 - 8. Situation Awareness for FERC, NERC, Regions-SANFR– Stan Johnson
 - 9. North American SynchroPhasor Initiative
 - a. CIP Issues – Scott Mix
 - a. Project Update – Stan Johnson
- 3. Security Operating**
- a. ES-ISAC Working Group – Larry Bugh
 - 1. CIPIS II Planning
 - 2. Path Forward
- 4. Security Planning**
- a. Security Guidelines Working Group – Scott Weber
 - b. Control Systems Security Working Group – Mark Engels
 - c. Risk Assessment Working Group – Greg Fraser
 - * 1. Critical Asset Identification Guideline
 - Review Industry Comments
 - 2. Critical Cyber Asset Identification Guideline
 - 3. Path Forward/Next Steps
- 5. Smart Grid-Cyber Security Issues — Instrument Society of America**
- 6. Agency Reports**
- a. Department of Homeland Security
 - b. Department of Energy
 - c. Public Safety Canada/Royal Canadian Mounted Police
 - d. Federal Energy Regulatory Commission

- c. Risk Assessment Working Group – Greg Fraser

7. Closing

- a. Follow-up Items and Future Actions – Barry Lawson
- b. 2009 Future Meetings – Stan Johnson

September 17–18 (Dallas, TX)

December 10–11 (Atlanta, GA)

Note: Secure briefing being planned to be held in conjunction with this meeting.

*Background material included

**CIPC June Meeting
Attendance List**

Name	Organization
Stan Johnson	NERC
Michael Assante	NERC
Tim Roxey	NERC
David Grubbs	ERCOT
Jim Brenton	ERCOT
Steve Martin	ERCOT
Carl Eng	SERC
David Godfrey	APPA
Sandy Brewer	APPA
Brian Malfant	FRCC
Joel Garmon	FRCC
Rich Powell	FRCC
John Lim	NPCC
Brian Hogue	NPCC
Scott Mix	NERC
Ron Niebo	NERC
John Fridye	Reliant Energy
David Revill	GTC
Ernest Rakaczky	Invensys-IPS
Mike Sanders	SOCO
Rodney O'Bryant	Southern Co.
James Sample	TVA
Mark Engels	Dominion
Ed Davis	Entergy
Lewis Griffith	CenterPoint Energy
Martin Naredorf Jr.	CenterPoint Energy
Jim McGlone	DOE
Cathy Eade	DHS

Dick Robert	Chelan PNP
Ted Heller	NSWCDD
Matt Laullen	Encari
Dale Zhan	Intelbind
Garill Wies	PNL
Madhava Sushilendra	EPRI
Gary Finco	INL
Aldo Nevarez	KEMA
Steve Hamburg	Encari
Jean LeBlanc	Interpro Consultants
Robert Parish	APS
Mike Housley	APS
Chris Humphreys	Texas RE
Tom Glock	APS
Bob Canada	Southern Co.
Robert Matthews	PGE
Tom Jacobus	SCE
Robert McClanahan	AECC
Allen Klassen	Westar Energy
Greg Fraser	Hydro
Dave Batz	Alliance Energy
Marc Child	GR Energy
Stuart Brindley	IESO
Kent Kujala	DTE Energy
Larry Bugh	ReliabilityFirst
Dan Powell	AES
Scott Webber	Allegheny Power
Wally Johnson	PEPCO
Brad Hyland	HEPN
Chris McColm	Hydro
Ross Johnson	EPCOR
Lew Folkerth	ReliabilityFirst
Jerry Freese	AEP
Dan Brotzman	ConEd
Chris Klemm	PSEG
Paul Kunas	Exelon Corp.
Chris Holmquest	NIPSCO
Doug Johnson	ConEd
Mike Pokas	ITC
Tom Vandervort	NERC
Clark Liu	MRO
Jason Marshall	MISO

Brian McKay	Xcel Energy
Darren Nielsen	Arizona Public Srvc.
Mike Mertz	Southern Cal. Edison
Stacy Bresler	PacifiCorp
Tom Kropp	Nexant
Tom Edwards	Flowers CCS / DOE
Nazam Jamal	Deloitte (Canada)
Steve Dougherty	Deloitte (Canada)
Bob Sypult	RLS Sec. Advisors
alan Beckham	Calpine Corp.
Nancy Kent	PacifiCorp
Tim O'Neil	Royal Canadian Police
Chantal Beahen	Public Safety Canada
Brian Harrell	SERC
Barry Lawson	NRECA
Chuck Abell	SERC
Dave Baumken	CEA
Bill McEvoy	NPCC