

Minutes Critical Infrastructure Protection Committee

Phoenix Convention Center
100 N. 3rd Street
Phoenix, Arizona

Critical Infrastructure Protection Committee Chair Barry Lawson called to order a duly noticed, regular meeting of the Critical Infrastructure Protection Committee (CIPC) on March 17, 2010 at 1:05 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 Scott Mix announced a quorum of 26 members and the following proxies:

1. Mark Engels for Carl Eng
2. Mike Knauer for Robert Richhart

NERC Antitrust Compliance Guidelines

Mr. Scott Mix, NERC CIP Technical Manager, 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

Mr. Lawson presented the March 17–18, 2010 agenda for approval, and proposed removing item 3k. Upon **motion** by Jim Brenton, seconded by Robert Matthews, the agenda was approved as modified.

Minutes

Mr. Lawson presented the December 9–10, 2009 minutes for approval, and asked if there were any changes noted by the membership. No changes were requested to the minutes by the committee. Upon **motion** by William McEvoy, seconded by Darren Nielson, the minutes were approved.

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 executive committee work performed since the last CIPC meeting. Included in his presentation were an overview of topics to be discussed at this CIPC meeting, review of recent CIPC Executive Committee (CIPC EC) meetings, the proposed Electric Sub-Sector Coordinating Council (ESCC) charter, CIPC

membership procedures, CIPC objectives for 2010 / 2011, proposed updates to the CIPC portion of the NERC Web site, a status report from the recent NERC Board of Trustees meeting, a brief update on Federal legislative activities, and an announcement concerning an upcoming program scheduled to be broadcast on June 15 on the National Geographic Channel entitled “Electronic Armageddon.” **(Presentation 1)**

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 his presentation were updates on FERC Order 706B (nuclear plant) issues and the nuclear bright-line workshops, Technical Feasibility Exception (TFE) program rollout and progress, the Electric Sector Steering Group, updates to the Aurora vulnerability information available to industry, recent NERC organizational changes, and additional information on the ESCC charter. As part of Mr. Assante’s presentation, Mr. Gerry Adamski, NERC Vice President and Director of Standards, provided an update on the results-based standards initiative. **(Presentation 2)**

During Mr. Assante’s presentation, Ms. Kelly Ziegler, project manager for the HILF effort, provided an update on recent activities of the HILF (High-Impact, Low-Frequency) efforts. The report from the fall workshop is nearing completion and will soon be sent to the NERC Standing Committees for their review and comment. The draft report will be broken into the following sections: Introduction, Executive Summary, Summary of Recommendations, Common Framework Approach to HILF Risk, Coordinated Risk Attack, Pandemic Risk, GMD/HEMP/IEMI Risk, and Appendices. CIPC members were encouraged to read the sections in which they have the most expertise and provide comments in the areas of recommendations, fatal flaws, and technical inaccuracies. **(Presentation 3)**

Mr. Scott Mix provided an update on the status of the CIP standards update process. The drafting team continues to work through the comments received during the recent informal comment period and is preparing a “catalog of control requirements” addressing all of the topical areas of the current CIP standards and the issues raised in FERC Order 706. Following the next informal comment posting of the complete set of standards, a 1½ day workshop is being planned to provide additional feedback from industry to the drafting team. The previously announced schedule of filing with FERC has been modified to provide for additional development of CIP-002, and now calls for filing with FERC the entire package of CIP standards (CIP-002 thru 009) by the end of 2010. **(Presentation 4)**

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

Mr. Lawson presented on the results of the CIPC EC work on implementing the security guideline retirement and consolidation activities presented at the September and December 2009 meetings. The CIPC EC met in February, and determined how the guideline work would be addressed, formed three new task forces to work on these guidelines, in addition to the existing Control Systems Security Working Group (CSSWG), and assigned chairs, executive sponsors, and CIPC members to work on the guidelines. All CIPC voting members are assigned to one working group or task force, and are expected to actively participate in these efforts. Additional membership from CIPC alternate members and other interested persons will be added to the working groups and task forces. **(Presentation 5)**

The following working groups and task forces were assigned or created:

- CSSWG (existing group), chaired by Mark Engels
- Business Continuity Task Force, chaired by Dave Baumken

- Substation Guideline Task Force, chaired by Allen Klassen
- Protecting Sensitive Information Task Force, chaired by Nathan Mitchell
- Risk Assessment Working Group (RAWG) (existing group), chaired by Greg Fraser (and will continue with its current assignment)

Chairs are expected to monitor participation and report that participation to the CIPC EC. CIPC members will be placed in “roster slots” for purposes of voting and quorum calculations, although most of the work is expected to be achieved through consensus rather than formal vote. Additional persons may request to be placed in roster slots, at the discretion of the chair. If a non-CIPC member in a roster slot fails to participate, they may be removed from the roster position in order to allow room for another member who is more able to participate. CIPC members will not be removed for lack of participation; however, lack of participation will be reported to the sponsoring organization.

Control System Security Working Group

Mr. Mark Engles, chair of the CSSWG presented an overview of the guideline work assigned to the working group by the CIPC EC. **(Presentation 6)**

Classified Briefing Feedback

Mr. Lawson presented the results of the survey taken following the classified electric sector briefing conducted with the December 2009 CIPC meeting. In general, the briefing was incrementally better than previous briefings, but a number of improvements were suggested by the survey respondents. CIPC leadership and NERC staff are looking forward to further improvements, and are available to collaborate to help improve the briefings. Following the presentation, Ms. Cathy Eade from the U.S. Department of Homeland Security (DHS) indicated that the information in the presentation was sufficient for her to take back to DHS for their use in improving future briefings. **(Presentation 7)**

Sabotage and Disturbance Reporting SDT Report

Mr. Bob Canada, CIPC Vice Chair and chair of the Sabotage and Disturbance Reporting Drafting Team presented on the activities and status of the team. The drafting team has completed a concepts paper and solicited comments on the paper from industry to help craft the requirements of the standard. **(Presentation 8)**

Overview of Recent Legislation

Mr. David Batz, manager of cyber and infrastructure security for the Edison Electric Institute gave a detailed overview of pending federal legislation dealing with infrastructure security and electric sector issues, as well as the mention of NERC in the recently released Federal Communications Commission Broadband Plan. Mr. Batz also promoted participation in the upcoming Cyber Storm II exercise sponsored by DHS. **(Presentation 9)**

Recent BPS Incidents

Mr. Mix of NERC provided an update on the recent BPS incidents since the last CIPC meeting, as well as a summary of security incidents reported since the last CIPC meeting.

Risk Assessment Working Group

Mr. Greg Fraser provided CIPC with a status update on the Critical Cyber Asset Identification Guideline, and a summary of comments received during the broad industry comment period. These comments are in the process of being addressed by the working group. A revised guideline is planned for presentation at the June CIPC meeting for approval. 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. This action will complete the current assignment for the Risk Assessment Working Group. The CIPC EC will consider potential future assignments for the RAWG or retire the group. (**Presentation 10**)

Agency Reports

Department of Homeland Security (DHS)

Ms. Cathy Eade of DHS thanked the CIPC members who provided feedback on the classified briefing. She also noted that there are a number of 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 to be started.

Department of Energy (DOE)

Mr. Ken Friedman of DOE provided an update on recent Department of Energy activities. DOE has completed updates to the Sector Specific Plan (SSP) of the National Infrastructure Protection Plan (NIPP), has submitted the updates for interagency review, and it is nearly ready for release. The Sector Annual Report work has started, with a target of half the number of pages of last year's plan. The Sector Annual Report will focus on metrics, and Mr. Friedman expressed a desire to have some metrics on the work effort of NERC and its various drafting teams, committees, and working groups included in the report. He also reported that a new large transformer manufacturing facility has opened in Georgia, representing a \$175M investment, and providing the return of large transformer manufacturing to the United States. A review of the CFATS (Chemical Facility Anti-Terrorism Standards) site list has revealed there are no electricity sites in the tier list. However, it was noted that the Energy Sector has approximately 350 sites tiered, with an additional 300 gas terminal sites on hold. The Whitehouse National Security Strategy will be release by the end of March.

Federal Energy Regulatory Commission (FERC)

Mr. Scott Swartz of FERC made a brief report to the CIPC.

EPRI

Mr. Tom Flowers, EPRI consultant, informed the CIPC that the EPRI Smart Grid Security Program continues, and an IntelliGrid Security Advisory Group meeting will be held at APS headquarters following the CIPC meeting. Future meetings will be in October and December scheduled around Grid Week. Web casts are scheduled for the intervening months of May, July, and November 2010. The meetings are open to EPRI non-members.

Follow-up Items and Future Actions

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

- Send email to Mr. Canada, copying Mr. Mix, pertaining to participation on working groups and task forces as discussed;
- Review the HILF report, and send comments via email to Mr. Lawson and copy Mr. Mix, and send comments as instructed in the forthcoming email request; and
- Provide comments on the CIP-001 Concept Paper, as discussed by Mr. Canada, using the standard comment process.

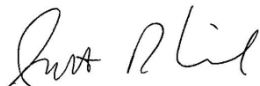
Mr. Mix confirmed the following future meetings of the CIPC:

- June 16–17, 2010 (Vancouver, British Columbia)
- September 15–16, 2010 (Denver, CO)
- December 8–9, 2010 (Tampa, FL)

Adjournment

There being no further business, and upon **motion** by Bob Canada and seconded by Jim Brenton, Chairman Lawson adjourned the meeting at 10:43 am on March 18, 2010.

Submitted by,



Scott Mix
Secretary

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.

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 March 16-18, 2010, Phoenix, AZ
 Date: Wednesday, January 27, 2010 5:05:09 PM



Meeting Announcement: Standing Committee Meetings March 16-18, 2010 | Phoenix, AZ

Meeting Location
 Phoenix Convention Center & Venues
 100 N 3rd Street
 Phoenix, AZ 85004

Lodging
 Hyatt Regency Phoenix Hotel
 122 N 2nd Street
 Phoenix, AZ 850046 ([Map](#))
 602-252-1234 Please call the hotel directly to book reservations

\$179+tax night group rate | Code: NERC
 Hotel cut-off date: February 22, 2010 at 6 AM Central Time (Rooms booked after this date will be subject to full price, if available)
 Room block available from: 3/15 – 3/17 (limited guest rooms available)
 Check in: 3 PM – Check out: 12 PM
 Dress Code: Business Casual

Group Name	Registration Link	Tuesday, March 16	Wednesday, March 17	Thursday, March 18
REMG		REMG: Noon – 1 pm		
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 – noon	
Critical Infrastructure Protection Committee	CIPC		Exec Committee: 10 am – noon CIPC: 1 – 5 pm Exec Committee: 5 – 7 pm	CIPC: 8 am – noon

NERC will provide a working lunch for OC and PC on 3/16 and a working lunch for CIPC meeting on 3/17 at noon, prior to their respective committee meeting.

Schedule includes other associated NERC meetings.

When making your hotel reservation, please be sure to mention "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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Agenda

Critical Infrastructure Protection Committee

March 17, 2010 | 1 p.m. – 5 p.m.

March 18, 2010 | 8 a.m. – noon

Phoenix Convention Center

100 N. 3rd Street

Phoenix, Arizona

Administrative Matters

Antitrust Compliance Guidelines

Consent Agenda -- Approve

1. **Approval Minutes** 30 min
 - [December 9, 2009 Meeting](#)

Regular Agenda

2. CIPC Executive Committee Report – Barry Lawson 30 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

3. NERC / ES-ISAC Updates – Michael Assante 120 min
 - a. FERC Order 706B Update – Michael Assante
 - b. Technical Feasibility Exception (TFE) Process – Michael Assante
 - c. ESSG Activity – Michael Assante
 - d. Department of Homeland Security Advisory System (HSAS) Update – Michael Assante
 - e. HILF Update – Michael Assante / Robert McClanahan/David Baumken/Kelly Ziegler
 - f. FERC Order 706 Drafting Team Update – Scott Mix
 - g. Results-Based Standards Update – Michael Assante
 - h. Aurora Advisory Update – Michael Assante
 - i. NERC Organizational Changes – Michael Assante
 - j. ESCC Charter Update – Michael Assante

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|-----|---|--------|
| k. | National Security Information Exchange Model & Standards
– Michael Assante | |
| 4. | CIPC Organization Issues and Creation of WG/TFs for Security
Guideline Work – Barry Lawson | 60 min |
| 5. | Control System Security Working Group – Mark Engels | 15 min |
| a. | Security guideline work | |
| 6. | Briefing Feedback Overview (on classified briefing in Atlanta)
– Barry Lawson | 30 min |
| 7. | Standards Drafting Team CIP 001 – Bob Canada | 30 min |
| a. | Provide updates on activities | |
| 8. | Legislative update on Cyber security -- David Batz | 30 min |
| 9. | Recent BPS Incidents – Scott Mix | 10 min |
| 10. | Risk Assessment Working Group – Greg Fraser | 30 min |
| a. | Update on industry comments received on CCA guideline | |
| b. | Schedule and next steps for bringing CCA guideline back to CIPC
for final vote | |

Agency Reports 20 min

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

Closing 5 min

15. Follow-up Items and Future Actions – Barry Lawson
16. 2010 Future Meetings – Scott Mix
 - June 16–17, 2010 (Vancouver, British Columbia)
 - 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:** March 17-18, 2010

Name of Participant	Organization/Sector
Charles Abell	SERC
Gerry Adamski	NERC
Ralph Anderson	NERC
Rick Anderson	Fayetteville NC
Guy Andrews	Georgia System Operations Corp
Michael Assante	NERC
Matt Bambrick	Exelon
Dave Baumken	Hydro On e
Tom Bowe	PJM Interconnection
John Breckenridge	SPP
Jim Brenton	ERCOT
Dan Brotzman	RFC
Larry Bugh	RFC
Jennifer Bullock	Progress Energy
Thomas Burgess	FirstEnergy
Bob Canada	CIPC Vice Chairman
Jacques Chevalier	NPCC
Marc Child	MRO
Frances Cleveland	Xanthus Consulting International
Garill Coles	Pacific Northwest National Laboratories
Edward Davis	Entergy Services
Rhonda Dunfee	DOE
Carl Dombeck	NERC
Cathy Eade	DHS
Shane Eaker	Southern Company Transmission
Mark Engels	SERC

Gary Finco	Idaho National Laboratory
Ken Flechler	Pike
Tom Flowers	Control Center Solutions
Roger Fradenburgh	Network & Security Technologies Inc.
Greg Fraser	MRO
Jerry Freese	RFC
Kenneth Friedman	U.S. Department of Energy
Joel Garmon	FRCC
David Godfrey	APPA
Edward Goff	Progress Energy
John Greave	Southern Co.
Lewis Griffith	ERCOT
David Grubbs	ERCOT
Brian Harrell	SERC
Justin Harvey	Encari
Brian Hogue	NPCC
Ross Johnson	Capital Power Corporation
Wally Johnson	Consultant to PHI
Gary King	Southern Cal Edison
Allen Klassen	SPP
Chris Klemm	RFC
Mike Knauer	NRECA
Thoma Kropp	Nexant, Inc.
Kent Kujala	RFC
Barry Lawson	CIPC Chairman
Matthew Light	Department of Energy
John Lim	NPCC
Clark Liu	MISO
Trish Lynch	Pacific Gas & Electric
Brian Malfant	FRCC
Jason Marshall	MISO
Robert Mathews	WECC

Robert McClanahan	CIPC Vice Chairman
Chris McColm	CEA
William McEvoy	NPCC
Don McMullin	Xcel Energy
Nathan Mitchell	APPA
Scott Mix	NERC
Darren Myers	Progress Energy Florida
Martin Narendorf	CenterPoint Energy
Boyd Nation	SERC
Darren Nielsen	WECC
Khalida Parveen	Edison
Maggy Powell	Constellation Energy
Richard Powell	FRCC
Elissa Rhee-Lee	RFC
Don Roberts	Southern Company
Scott Rosenberger	ERCOT
Mike Sanders	Southern Co.
Steve Schutz	E verifile
Eric Solberg	MRO
Tim Starks	Triton Secure
Scott Swartz	Federal Energy Regulatory Commission
Bob Tallman	E on US
Robert Ulmer	American Transmission Co
Madhava Utagikar	Luminant Energy
Dale Zahn	Intellibind.com
Kelly Ziegler	NERC Contractor (HILF Project Manager)