

Agenda

Project Management and Oversight Subcommittee (PMOS) Meeting

January 31, 2018 | Noon – 1:30 p.m. Eastern

Dial-in: 1-415-655-0002 | Access Code: 739 651 531 | Meeting Password: 013118

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Agenda Items

1. **Review of Agenda**
2. **Consent Agenda – (Approve)**
 - a. December 6, 2017 Project Management and Oversight Subcommittee Meeting Notes*
3. **Review of Prior Action Items – (Review)**
4. **Project Tracking Spreadsheet (PTS) – (Review)**
 - a. 2013-03 – Geomagnetic Disturbance Mitigation baseline schedule – **(Archive)** (J. Sterling)
 - b. 2015-09 – Establish and Communicate System Operating Limits – **(Update)** (K. Lanehome)
 - c. 2015-10 – Single Points of Failure TPL-001 – **(Update)** (M. Pratt)
 - d. 2016-02 – Modifications to CIP Standards – **(Update)** (K. Lanehome, A. Mayfield, K. Rosener)
 - i. Directives and Control Center Communication Networks
 - ii. TO Control Centers performing TOP obligations
 - iii. Version 5 TAG, Cyber Asset and BES CA (BCA) definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances
 - e. 2016-04 – Modifications to PRC-025-1 – **(Update)** (C. Yeung)
 - f. 2017-01 – Modifications to BAL-003-1 – **(Update)** (A. Casuscelli and L. Lynch)

¹ When joining the web portion, start with the web link first. Once logged in, a dialog box will open with all numbers or an option for WebEx to call your number. More importantly, it will give you your ATTENDEE ID#. Please use that number, if calling in, when prompted to do so. It links your web session to the caller on the phone.

- g. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – **(Update)** (M. Brytowski)
 - h. 2017-03 – Periodic Review of FAC-008-3 Standard – **(Update)** (M. Pratt)
 - i. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **(Update)** (C. Yeung)
 - j. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **(Update)** (C. Bellville and A. Casuscelli)
 - k. 2017-06 – Modifications to BAL-002-2 – **(Update)** (K. Lanehome)
 - l. 2017-07 – Standards Alignment with Registration – **(Update)** (M. Brytowski)
5. **PMOS Membership – (Review)**
- a. New members – Sean Cavote
6. **Other**
- a. How could PMOS help avoid FERC directives in the CIP NOPR
 - b. Role of PMOS in Guideline development associated with Projects
 - c. Next meeting – In-person at WECC on Wednesday, March 14, 2018 from 8:00 a.m. to 10:00 a.m. Mountain
7. **Adjournment**

*Background materials 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.

Public Announcements

REMINDER FOR USE AT BEGINNING OF MEETINGS AND CONFERENCE CALLS THAT HAVE BEEN PUBLICLY NOTICED AND ARE OPEN TO THE PUBLIC

For face-to-face meeting, with dial-in capability:

Participants are reminded that this meeting is public. Notice of the meeting was posted on the NERC website and widely distributed. The notice included the number for dial-in participation. Participants should keep in mind that the audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

Meeting Notes

Project Management and Oversight Subcommittee (PMOS) Conference Call

December 6, 2017 | 8:00 a.m. to 10:00 a.m. Eastern

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 8:00 a.m. Eastern. The Chair provided the subcommittee with opening remarks and welcomed members and guests. Members included: Colby Bellville, Michael Brytowski (vice chair), Amy Casuscelli, Ken Lanehome, Linda Lynch, Ash Mayfield, Quinn Morrison, Mark Pratt, Kirk Rosener, and Charles Yeung (chair). Observers included: Karie Barczak, Sean Bodkin, Sean Cavote, Michelle D'Antuono, Chris Gowder, Latrice Harkness (secretary), Linn Oelker, and Chris Scanlon.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were reviewed by L. Harkness. There were no questions.

Agenda Items

1. Review of Agenda

C. Yeung reviewed the agenda with members and attendees.

2. Consent Agenda

A motion was made by K. Lanehome to approve the PMOS October 12, 2017 Meeting Notes. The motion was properly seconded by M. Pratt. The motion carried unanimously.

3. Review of Prior Action Items

C. Yeung reported the following action items from October 12, 2017 were completed:

- a. Add 3 new members to projects (S. Barfield-McGinnis)
- b. Post 2018 schedule and announce (S. Barfield-McGinnis)

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2013-03 – The draft standard was approved. NERC Legal is in the process of drafting the filing. It is scheduled to be complete by end of 2017.
- b. 2015-09 – Establish and Communicate System Operating Limits – K. Lanehome reported that formal comment and initial ballot closed on November 14, 2017. The Standards Drafting Team (SDT) is meeting in Atlanta and will review the comments, draft responses and discuss changes to the standards to address concerns. The ballot for the proposed new standard and updates to existing standards narrowly failed. Proposed implementation plan and System Voltage Limit Definition were supported by industry. SDT will address concerns and plans on another ballot sometime in January.

- c. 2015-10 – Single Points of Failure TPL-001 – The 45-day initial ballot failed with 30.5% voting in favor (Quorum 82.71%). The SDT met the week of November 27th to discuss industry comments, with the main concerns appearing to fall into three main categories:
 - i. PC/RC Coordination in the determination of outages to include in planning assessments and duration of outages to consider (Issue: Misdirected applicability and failure to directly address outage duration issue)
 - ii. Mandate for corrective action [whether through formal Corrective Action Plans (CAP) or other] for three-phase faults coincident with Single Point Of Failure (SPOF) (Issue: Confusion as to the mandate for corrective action)
 - iii. Footnote 13 wording (Issue: Confusion regarding wording of exclusions for identifying SPOF)
 - (1) Other industry comments addressed the proposed implementation periods, suggestions to retire requirements based on P81 criteria, coordination with other existing Standard Development Projects currently underway, etc. These were addressed appropriately either with minor wording changes to the proposed standard or by explanation. Next Meeting January 23-25, 2018 to further refine comments and any necessary changes to Violation Severity Levels, Technical Rationale, other related documents. Goal is to post for ballot/comment February 20, 2018 (Formerly February 6, 2018).
- d. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Lanehome reported that CIP-012 45-day formal comment and ballot period are open until December 11, 2017. In the last meeting issues were found where the standard may inadvertently apply to Generating Stations, which ties to the team discussion on revisions to the Control Center definition. Revisions to CIP-002, implementation plan and comment form is in QR. Revisions are in response to the comments received on October 30, 2017. The SDT is meeting in Austin and working on responses to the comments. Also, concerning Virtualization, unofficial comments were received on November 2, 2017. Comments showed the industry narrowly wants the SDT to address this issue. No course of action has been identified at this time.
- e. 2016-04 – Modifications to PRC-025-1 – C. Yeung reported that the 45-day additional ballot and comment period ends on December 13, 2017. SDT meeting is scheduled for late December 2017.
- f. 2017-01 – Modifications to BAL-003-1 – A. Casuscelli reported that a SDT meeting is scheduled for January 18, 2018. (Pending further update after SDT meeting)
- g. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – M. Brytowski reported that project is on the SC agenda to accept the SAR for PER-003-1 & PER-004-2 for final posting and to appoint the Project 2017-02 SAR drafting team (SAR DT) as the standard drafting team for the standard development process. No issues are anticipated with this project. Project delays have been due to issues with events and timing.

- h. 2017-03 – Periodic Review of FAC-008-3 Standard – M. Pratt reported that the Periodic Review Team (PRT) met in Ontario last week (week of September 25, 2017). The PRT concluded their review and developed a draft report with a recommendation of YELLOW which is defined as: The standard is sufficient to protect reliability and meet the reliability objective of the standard; however, there may be future opportunity to improve a non-substantive or insignificant quality and content issue. The report was provided to the Periodic Review Standing Review Team (PRSRT) for review on October 11, 2017. A 45-day formal comment period for the preliminary recommendation is currently open through Wednesday, December 13, 2017. The team will meet either face-to-face or via conference call in February to finalize the recommendation.
- i. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported that PRT template has been completed. Initial comment and ballot are scheduled for January 8, 2018. The team will meet at end of February 2018.
- j. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – A. Casuscelli reported that the SDT reviewed the Standard in November 2017. Initial posting and comment period is scheduled for the week of December 11, 2017.
- k. 2017-06 – Modifications to BAL-002-2 – K. Lanehome reported that the SAR drafting team has been appointed.
- l. 2017-07 – Standards Alignment with Registration – M. Brytowski reported that the SAR will be posted for informal comment December 7, 2017 – January 9, 2018. A SDT Meeting is scheduled for January 17-18, 2018 to review comments. The SAR will be presented to the SC on March 14, 2018.

5. PMOS Liaison Roles & Responsibilities and Scope

- a. C. Yeung reviewed the “PMOS Liaison Best Practices” presentation and the “PMOS Scope Document.”

6. Other

C. Yeung stated that the next meeting is a conference call, January 31, 2018 from Noon to 1:30 p.m. Eastern.

7. Adjournment

C. Yeung adjourned the meeting at 9:12 a.m. Eastern.