

Agenda

Project Management and Oversight Subcommittee (PMOS) Conference Call

April 25, 2018 | Noon – 1:30 p.m. Eastern

Dial-in: 1-415-655-0002 | Access Code: 738 329 212 | Meeting Password: 042518

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Agenda Items

1. **Review April 25 Agenda - (Approve)** (C. Yeung)
2. **Consent Agenda – (Approve)** (C. Yeung)
 - a. March 14, 2018 Project Management and Oversight Subcommittee Meeting Notes*
3. **Review of Prior Action Items – (Review)** (S. Barfield-McGinnis)
 - a. Approach for tracking Reliability Guidelines and Implementation Guidance
 - b. Other general action items
4. **Project Tracking Spreadsheet (PTS) – (Review)**
 - a. 2015-09 – Establish and Communicate System Operating Limits – **(Update)** (K. Lanehome)
 - b. 2015-10 – Single Points of Failure TPL-001 – **(Update)** (M. Pratt)
 - c. 2016-02 – Modifications to CIP Standards – **(Update)** (K. Lanehome, A. Mayfield, or 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
 - d. 2017-01 – Modifications to BAL-003-1 – **(Update)** (A. Casuscelli or 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.

- e. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – **(Update)** (M. Brytowski)
 - f. 2017-03 – Periodic Review of FAC-008-3 Standard – **(Update)** (M. Pratt)
 - g. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **(Update)** (C. Yeung)
 - h. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **(Update)** (C. Bellville or A. Casuscelli)
 - i. 2017-06 – Modifications to BAL-002-2 – **(Accept Baseline)** (K. Lanehome)
 - j. 2017-07 – Standards Alignment with Registration – **(Update)** (M. Brytowski)
 - k. 2018-01 – Canadian-specific Revisions to TPL-007-2 – **(Assign Liaison)**
5. **Standards Efficiency Review (Update)**
- a. Real-time Operations (M. Brytowski or M. Pratt)
 - b. Operations Planning (Assign)
 - c. Long-term Planning (L. Lynch)
6. **Other**
- a. No May 2018 meeting/call
 - b. Next meeting – in-person at the NERC Atlanta office on Wednesday, June 13, 2018 from 8:00 to 10:00 a.m. Eastern
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

Conference call:

Participants are reminded that this conference call is public. The access number was posted on the NERC website and widely distributed. Speakers on the call should keep in mind that the listening 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)

March 14, 2018 | 8:00 - 10:00 a.m. Mountain

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 8:10 a.m. Mountain. The Chair provided the subcommittee with opening remarks and welcomed members and guests. Members in attendance either in-person or remote:

Members included: Colby Bellville, Michael Brytowski (vice chair), Amy Casuscelli (SC vice chair), Ken Lanehome, Linda Lynch, Kirk Rosener, and Charles Yeung (chair).

Observers included: Scott Barfield-McGinnis (secretary), Yee Chou, Rachel Coyne, Brenda Hampton, Marisa Hecht, Soo Jin Kim, Jordan Mallory, Ellen Oswald, Quinn Morrison, and Guy Zito.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were reviewed by PMOS Secretary. There were no questions.

Agenda Items

1. Review of Agenda

C. Yeung reviewed the agenda with members and attendees.

2. Consent Agenda

The agenda and PMOS January 31, 2018 Meeting Notes were approved by consent.

3. Review of Prior Action Items

S. Barfield-McGinnis reported on the following items from the January 31, 2018 conference call:

- a. M. Pratt had an action item to ensure the Project 2015-10 Single Points of Failure team holds a webinar. The webinar is scheduled for March 22, 2018. The status is complete.
- b. S. Barfield-McGinnis had an action to update Project 2016-02 Modifications to CIP Standards spreadsheet dates to include the third comment period for CIP-012, and the third and fourth comment period for CIP-002. The status is complete.
- c. S. Barfield-McGinnis had an action item to update Project 2017-01 Modifications to BAL-003-1 to note that the two Standard Authorization Request (SAR) documents were combined to the Project Tracking Spreadsheet. The status is complete.

- d. S. Barfield-McGinnis had an action item to update Project 2017-02 Modifications to Personnel Performance, Training, and Qualifications Standards with baseline schedule. The status is complete.
- e. S. Barfield-McGinnis had an action item to research ways to improve visibility of Reliability Guidelines, Implementation Guidance, and other documents related to standards. For example, adding links to the weekly Standards and Compliance bulletin. He noted that no specific approach had been determined; however, with him moving into a technical advisor role, he would work with the two other NERC staff (specifically, Al McMeekin and Darrel Richardson) that has transitioned into the same role to determine a viable approach. The status is ongoing and will be updated during the April 25, 2018 conference call.
- f. S. Barfield-McGinnis had an action item to determine if there are opportunities for PMOS to become engaged with the upcoming Standards Efficiency Review (SER) project. He reported that there doesn't seem to be any specific need at the moment; however, there may be value in assigning members to follow each of the three teams comprised of real-time, operations planning, and long-term planning Time Horizons. However, adding new members might be needed to distribute the workload. The rationale for assigning a member would allow the liaison to be familiar with the reviews, should any of the SER work result in one or more Standard Authorization Requests. L. Lynch volunteered to follow the Long-term Planning SER Team.

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits – K. Lanehome reported that the team is currently finalizing documents for Reliability Standards FAC-011, FAC-014, and FAC-015, including responses to comments received during the last posting. The team anticipates posting for a second 45-day comment period and an additional ballot the first part of April 2018. FAC-010 is retiring and FAC-015 is being proposed.
- b. 2015-10 – Single Points of Failure TPL-001 – C. Yeung provided a report on behalf of M. Pratt. The team met the week of January 22 to finalize responses to stakeholder comments received and to revise the draft standard, technical rationale, and implementation plan. He noted the Quality Review was done in January 2018, the team met in February 2018, and the standard was posted February 23, 2018 for a 30-day comment period. The Implementation Plan will be posted at the end of March 2018. As reported in the action item update, the webinar will be held March 22, 2018.

The main changes from the last posting of the Standard include responses to industry comments, and clarification of the selection process for outages to include in system models. Known outages expected to result in Non-Consequential Load Loss for P1 events concurrent w/outage and process cannot exclude outages based solely on duration. The creation of a P8 Planning Event category in Table 1 to address multiple contingencies to include 3Ø faults concurrent with a failure of a non-redundant component of a Protection System to operate, and clarifications on Footnote 13 regarding what constitutes a non-redundant component of a Protection System.

- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Lanehome reported that CIP-002 and CIP-012 will both be going to additional ballot on March 15, 2018 for a 45-day period. For CIP-002, the team is trying to provide additional clarity on inclusions and exclusions. The timeline for virtualization is still undetermined. G. Zito reminded that the standard drafting team should be focused on addressing the FERC directives and not virtualization. There will be a team web session on March 22, 2018 to discuss virtualization. S. Barfield-McGinnis reported that one of the two developers changed on the project.
- d. 2016-04 – Modifications to PRC-025-1 – C. Yeung reported that NERC staff will be providing the Standards Committee (SC) an update on a non-substantive correction ($V_{\text{low-side}}$ to $V_{\text{high-side}}$) to the Guidelines and Technical Basis before filing. PMOS agreed to archive the project after the SC meeting since it will be filed in the next few days.
- e. 2017-01 – Modifications to BAL-003-1 – A. Casascelli reported that the team met the week of February 19, 2018. The team identified a need for additional team members and will present the request to the SC to authorize posting for additional team member nominations from the generation sector (in addition to current members of the SAR DT) at the March 2018 SC meeting. It was decided the generator segment should be represented as the project considers extending the applicability of the standard to the GO/GOPs. Anticipate taking the combined SAR to the SC in April 2018.
- f. 2017-02 – Modifications to Personnel Performance, Training, and Qualifications Standards – M. Brytowski reported that the 45-day comment period ended March 7, 2018 with a significant passing approval (97.5 percent). The team will be considering comments from industry late March 2018 and posting for final ballot in April 2018.
- g. 2017-03 – Periodic Review of FAC-008-3 Standard – C. Yeung provided a report of the following on behalf of M. Pratt.
 - The Review Team completed a comprehensive review of FAC-008-3 – Facility Ratings in September 2017.
 - The Review Team determined that the standard is sufficient to protect reliability and meets its reliability objectives and formalized this preliminary recommendation in a draft report that was provided to the Periodic Review Standing Review Team (PRSRT) for review in October 2017.
 - The preliminary recommendation was posted for a 45-day formal comment period that ended at the end of 2017.
 - The Review Team held a conference call in January 2018 and met in February 2018.
 - The Review Team noted a few non-substantive clarity and consistency issues that should be considered by a future standards drafting team.
 - On February 19, 2018, a white paper summarizing the conclusions of the Review Team and the Final Periodic Review Report (with recommendations) were submitted for consideration for the March 2018 SC meeting agenda.

- The PMOS will not archive until after the SER work and NERC Board delivery
- h. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported that the team completed the response to comments from the first posting. Comments were in favor of the recommendations being made by the team which is to retire INT-004 standard and drop terms (i.e., INT-006, INT-009, and INT-010) which are unclear in the standards. Periodic Review of a subset of the INT Standards will provide the Standards Efficiency Review Team (SER) with the initial recommendations of the INT periodic review team, as well as all associated documents in mid-March 2018. No future meetings or postings expected for now. Project 2017-04 will then be placed on hold pending SER team recommendations/findings.
- i. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – C. Bellville reported that the review template 45-day posting for preliminary recommendations ended January 29, 2018. There is a meeting scheduled for March 19, 2018 to review industry comments and discuss the team’s final recommendation. Given the overwhelming industry support for the team’s Preliminary Recommendation (Yellow-Revise). They do not anticipate a change in the recommended “color” of the standard, but will not revise at this time. The periodic review team recommends reaffirming the standard and anticipates delivering the recommendation to the SC at their April 2018 meeting.
- j. 2017-06 – Modifications to BAL-002-2 – K. Lanehome reported that the SC accepted the SAR on February 14, 2018 and appointed the SAR drafting team as the standard drafting team. He anticipates the delivery of a revised standard and implementation plan to the SC on March 14, 2018 to post for a 45-day comment period and initial ballot.
- k. 2017-07 – Standards Alignment with Registration – M. Brytowski reported that the team met last week. The team had an issue of refining the SAR and also considering the inclusion of the Reliability Coordinator. The team will request the SC to accept the project SAR at the April 2018 SC meeting. In addition, the project will seek approval to solicit nominations to add three to four members to the drafting team. A development project will commence once SC approves SAR and the drafting team is approved by the SC.

5. Other

- a. The next PMOS conference call will be Wednesday, April 25, 2018 at Noon Eastern.

6. Action Items

- a. Provide PMOS members with a plan for connecting Reliability Guidelines and Implementation Guidance that is associated with Standards. The Standards Technical Advisors will determine viable approaches (S. Barfield-McGinnis)
- b. Send PMOS members an email seeking participants for each SER team. These will involve a conference call every other week. L. Lynch volunteered for the Long-term Planning team (S. Barfield-McGinnis)
- c. Have the developer for 2015-10 correct the final ballot, Board, and filing dates in the PTS (M. Pratt)

- d. Project 2016-04 - the control center reference needs to be moved to item “c” in the PTS (S. Barfield-McGinnis)
- e. Archive 2016-04 once filed with regulatory authorities (S. Barfield-McGinnis)
- f. Update 2017-01 to the new developer, Laura Anderson (S. Barfield-McGinnis)
- g. Solicit the team to provide baseline schedule for 2017-01 Modifications to BAL-003-1 (A. Casuscelli)
- h. Solicit the team to provide baseline schedule for 2017-06 Modifications to BAL-002-2 (K. Lanehome)

7. Adjournment

C. Yeung adjourned the meeting at 9:21 a.m. Mountain by consent.