

Agenda

Project Management and Oversight Subcommittee Meeting

March 20, 2019 | 8:00 – 10:00 a.m. Central

Austin Energy
System Control Center (SCC)
2500 Montopolis Dr. – Assembly Room A.
Austin, TX 78741

Dial-in: 1-415-655-0002 | Access Code: 735 883 707 | Meeting Password: 032019
Click here for: [WebEx Access](#)¹

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement
NERC Participant Conduct Policy

Agenda Items

1. **Consent Agenda – Approve** (C. Yeung)
 - a. February 13, 2019 Project Management and Oversight Subcommittee Meeting Minutes*
2. **Prior Action Items – Review** (S. Barfield-McGinnis)
3. **Project Tracking Spreadsheet ([PTS](#)) – Review**
 - a. 2015-09 – Establish and Communicate System Operating Limits – **Update** (K. Lanehome)
 - b. 2016-02 – Modifications to CIP Standards (K. Lanehome, A. Mayfield, or K. Rosener)
 - i. (2016-02c) TO Control Centers Performing TOP Obligations (CIP-002) – **Update**
 - ii. (2016-02d) Version 5 TAG, Cyber Asset and BES CA (BCA) Definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances – **Update**
 - iii. (2016-02e) CIP-003-8 Malicious Code – **Update**
 - c. 2017-01 – Modifications to BAL-003-1 – **Update** (A. Casuscelli or L. Lynch)
 - d. 2017-03 – Periodic Review of FAC-008-3 Standard – **On hold** (M. Pratt)

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. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **On hold** (C. Yeung)
- f. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **On hold** (C. Bellville or A. Casuscelli)
- g. 2017-07 – Standards Alignment with Registration – **Update** (M. Brytowski)
- h. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – **Archive** (C. Bellville or A. Casuscelli)
- i. 2018-03 – Standards Efficiency Review Phase I – **Update** (M. Brytowski or M. Pratt)
- j. 2018-04 – PRC-024-2 and Inverter Based Resources – **Update & Accept Baseline** (L. Lynch)
- k. 2019-01 – Modifications to TPL-007-3 – **Assign**
- l. Standards Efficiency Review Phase II – **Update** (M. Brytowski or L. Lynch)

4. Other

- a. PTS Project Historical Look (S. Barfield-McGinnis)
 - i. Project Complexity Factors
- b. Subscribing to [NERC mailing lists](#) (S. Barfield-McGinnis)
- c. Next meeting – Conference Call on May 15 at 1:00-3:00 p.m. Eastern
- d. Other

5. 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.

NERC Participant Conduct Policy

General

Consistent with its Rules of Procedure, Bylaws, and other governing documents, NERC regularly collaborates with its members and other stakeholders to help further its mission to assure the effective and efficient reduction of risks to the reliability and security of the grid. Many NERC members and other bulk power system experts provide time and expertise to NERC, and the general public, by participating in NERC committees, subcommittees, task forces, working groups, and standard drafting teams, among other things. To ensure that NERC activities are conducted in a responsible, timely, and efficient manner, it is essential to maintain a professional and constructive work environment for all participants, including NERC staff, members of NERC committees, subcommittees, task forces, working groups, and standard drafting teams, as well as any observers of these groups. To that end, NERC has adopted the following Participant Conduct Policy (this “Policy”) for all participants engaged in NERC activities. Nothing in this Policy is intended to limit the powers of the NERC Board of Trustees or NERC management as set forth in NERC’s organizational documents, the NERC Rules of Procedure, or under applicable law. This Policy does not apply to the NERC Board of Trustees or the Member Representatives Committee.

Participant Conduct Policy

All participants in NERC activities must conduct themselves in a professional manner at all times. This Policy includes in-person conduct and any communication, electronic or otherwise, made as a participant in NERC activities. Examples of unprofessional conduct include, but are not limited to, verbal altercations, use of abusive language, personal attacks, or derogatory statements made against or directed at another participant, and frequent or patterned interruptions that disrupt the efficient conduct of a meeting or teleconference.

Additionally, participants shall not use NERC activities for commercial purposes or for their own private purposes, including, but not limited to, advertising or promoting a specific product or service, announcements of a personal nature, sharing of files or attachments not directly relevant to the purpose of the NERC activity, and communication of personal views or opinions, unless those views are directly related to the purpose of the NERC activity. Unless authorized by an appropriate NERC officer, individuals participating in NERC activities are not authorized to speak on behalf of NERC or to indicate their views represent the views of NERC, and should provide such a disclaimer if identifying themselves as a participant in a NERC activity to the press, at speaking engagements, or through other public communications.

Finally, participants shall not distribute work product developed during the course of NERC activities if that work product is deemed Confidential Information consistent with the NERC Rules of Procedure Section 1500. Participants also shall not distribute work product developed during the course of NERC activities if distribution is not permitted by NERC or the relevant committee chair or vice chair (e.g., an embargoed report), provided that NERC, or the committee chair or vice chair in consultation with NERC staff, may grant in writing a request by a participant to allow further distribution of the work product to one or more

specified entities within its industry sector if deemed to be appropriate. Any participant that distributes work product labeled “embargoed,” “do not release,” or “confidential” (or other similar labels) without written approval for such further distribution would be in violation of this Policy. Such participants would be subject to restrictions on participation, including permanent removal from participation on a NERC committee or other NERC activity.

Reasonable Restrictions on Participation

If a participant does not comply with this Policy, certain reasonable restrictions on participation in NERC activities may be imposed, as described below.

If a NERC staff member, or committee chair or vice chair after consultation with NERC staff, determines, by his or her own observation or by complaint of another participant, that a participant’s behavior is disruptive to the orderly conduct of a meeting in progress or otherwise violates this Policy, the NERC staff member or committee chair or vice chair may remove the participant from a meeting. Removal by the NERC staff member or committee chair or vice chair is limited solely to the meeting in progress and does not extend to any future meeting. Before a participant may be asked to leave the meeting, the NERC staff member or committee chair or vice chair must first remind the participant of the obligation to conduct himself or herself in accordance with this Policy and provide an opportunity for the participant to comply. If a participant is requested to leave a meeting by a NERC staff member or committee chair or vice chair, the participant must cooperate fully with the request.

Similarly, if a NERC staff member, or committee chair or vice chair after consultation with NERC staff, determines, by his or her own observation or by complaint of another participant, that a participant’s behavior is disruptive to the orderly conduct of a teleconference in progress or otherwise violates this Policy, the NERC staff member or committee chair or vice chair may request the participant to leave the teleconference. Removal by the NERC staff member or committee chair or vice chair is limited solely to the teleconference in progress and does not extend to any future teleconference. Before a participant may be asked to leave the teleconference, the NERC staff member or committee chair or vice chair must first remind the participant of the obligation to conduct himself or herself in accordance with this Policy and provide an opportunity for the participant to comply. If a participant is requested to leave a teleconference by a NERC staff member or committee chair or vice chair, the participant must cooperate fully with the request. Alternatively, the NERC staff member or committee chair or vice chair may choose to terminate the teleconference.

At any time, a NERC officer, after consultation with NERC’s General Counsel, may impose a restriction on a participant from one or more future meetings or teleconferences, a restriction on the use of any NERC-administered listserv or other communication list, or such other restriction as may be reasonably necessary to maintain the orderly conduct of NERC activities. Before approving any such restriction, the NERC General Counsel must provide notice to the affected participant and an opportunity to submit a written objection to the proposed restriction no fewer than seven days from the date on which notice is provided. If approved, the restriction is binding on the participant, and NERC will notify the organization employing or contracting with the restricted participant. A restricted participant may request removal of the restriction by submitting

a request in writing to the NERC General Counsel. The restriction will be removed at the reasonable discretion of the NERC General Counsel or a designee.

Upon the authorization of the NERC General Counsel, NERC may require any participant in any NERC activity to execute a written acknowledgement of this Policy and its terms and agree that continued participation in any NERC activity is subject to compliance with this Policy.

Guidelines for Use of NERC Email Lists

NERC provides email lists, or “listservs,” to NERC stakeholder committees, groups, and teams to facilitate sharing information about NERC activities. It is the policy of NERC that all emails sent to NERC listservs be limited to topics that are directly relevant to the listserv group’s assigned scope of work. NERC reserves the right to apply administrative restrictions to any listserv or its participants, without advance notice, to ensure that the resource is used in accordance with this and other NERC policies.

Prohibited activities include using NERC-provided listservs for any price-fixing, division of markets, and/or other anti-competitive behavior. Recipients and participants on NERC listservs may not utilize NERC listservs for their own private purposes. This may include lobbying for or against pending balloted standards, announcements of a personal nature, sharing of files or attachments not directly relevant to the listserv group’s scope of responsibilities, or communication of personal views or opinions, unless those views are provided to advance the work of the listserv’s group. Any offensive, abusive, or obscene language or material shall not be sent across the NERC listservs.

Any participant who has concerns about this Policy may contact NERC’s General Counsel.

Version History

Version	Date	Change Tracking
1	February 6, 2019	
2	February 22, 2019	<ul style="list-style-type: none">• Clarified policy does not apply to Board or MRC• Addressed participants speaking on behalf of NERC

Meeting Minutes

Project Management and Oversight Subcommittee (PMOS)

February 13, 2019 | 1:00 – 3:00 p.m. Eastern

Introduction and Chair's Remarks

Chair C. Yeung called the meeting, held via conference call, to order at 1:00 p.m. Eastern. The meeting was announced via the PMOS email distribution list on February 6, 2019 as well as being publicly posted on nerc.com. The chair provided the subcommittee with opening remarks and welcomed members¹ and guests. The acting secretary, J. Mallory, had each attendee and those in attendance both in-person and remotely identify themselves. Those in attendance included:

Members: Charles Yeung (PMOS chair), Michael Brytowski (PMOS vice chair), Colby Bellville, Amy Casuscelli, Sean Cavote, Ken Lanehome, Linda Lynch, Mark Pratt, and Kirk Rosener. A quorum of members were present.

Observers: from industry: Peg Abbadini, John Allen, Rachel Coyne, Kent Feliks, Vic Howell, Quinn Morrison, Hari Singh, Stephen Solis, and Terry Volkmann; from FERC: Kal Ayoub, Eugene Blick, Michael Keane, Darrel Piatt, and George Reig; from NERC: Laura Anderson, Scott Barfield-McGinnis (secretary), Mat Bunch, Latrice Harkness, Marisa Hecht, Soo Jin Kim, and Jordan Mallory.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were presented and reviewed by the secretary. The secretary noted the full antitrust guidelines and public announcement were provided in the agenda package to each member via email and posted on the PMOS webpage. There were no questions.

Agenda Items

1. Review of Agenda

C. Yeung reviewed the agenda with members and attendees.

2. Consent Agenda

The December 12, 2018 Meeting Minutes were reviewed, not amended, and K. Rosener motioned to approve the agenda and the Meeting Minutes. The motion was properly seconded and both were approved by unanimous consent.

3. Review of Prior Action Items

S. Barfield-McGinnis reported on the following action items from the December 12, 2018 in-person meeting:

¹ The PMOS is composed of industry stakeholders where the chair or vice chair must be a member of the Standards Committee (SC) and the SC leadership are non-voting members of the PMOS.

- i. to archive Project 2015-10 (Complete);
- ii. to determine if sending the CIP-002 issue to the IROL team was helpful (Complete-Yes, the Critical Infrastructure Protection (CIP) standard drafting team (SDT) did not have any members with the requisite experience (i.e., “planners”) on the team. The System Operating Limit (SOL) SDT will wrap up their changes to the CIP-002 standard and then the CIP SDT will continue their work following the SOL work.);
- iii. fix the Project 2016-02d formatting on the home page (Complete); and
- iv. work with leadership to propose dates for conference calls (Complete-posted).

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits (SOL) – V. Howell presented slides concerning two Reliability Standards (i.e., TOP-001 and IRO-008) that the SDT is proposing to edit due to the addition of Requirement R6 in the proposed FAC-011-4 standard. The proposed FAC-011-4 establishes the concept of an SOL exceedance. S. Kim was seeking PMOS agreement in favor of allowing the SDT to open the two standards. C. Yeung emphasized that PMOS is a project tracking body, and suggested NERC staff seek Standards Committee (SC) guidance. There was a discussion as to potential options for moving forward that included: (1) informing the SC of the SDT’s intent; (2) hosting a public industry webinar to determine if industry favors opening the two standards; or, (3) a “supplemental” Standards Authorization Request (SAR). The PMOS will consider a rebase for aligning the project at their March 20, 2019 in-person meeting.
- b. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Lanehome reported the following:
 - i. (2016-02c) TO Control Centers performing TOP obligations (CIP-002-5.1a)
The SDT adjusted the timeline for compliance of all unplanned changes to 24 months. The STD is seeking a determination from the SC whether it is a substantive change. If so, it will need to go out for additional ballot. If not, a final ballot will be prepared. The project is tied to the Project 2015-09 and could delay the SOL project, if the SC requires another posting and ballot.
 - ii. (2016-02d) Version 5 TAG, Cyber Asset and BES CA (BCA) definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances
The SDT continues to draft responses to comments. Based on comments received, this portion of the project will require an extended amount of time to draft changes to existing standards. The SDT meets next week and will need to provide a new base-line schedule. An action item was taken to obtain the base-line. The SDT anticipates nine months of work before the first formal comment period, resulting in a total project timeline of 18 months. This plan anticipates a November 2020 NERC Board adoption.

- iii. (2016-02e) – CIP-003-8 Malicious Code (FERC Order #843 Malicious Code Example Directive).
CIP-003-8 has passed industry approval and is being held to ensure coordination with other CIP work.
- c. 2017-01 – Project 2017-01 Modifications to BAL-003-1.1 – L. Lynch reported the following:

Phase I:

The 45-day formal comment period concluded on January 17, 2019. The proposal to replace the Resource Contingency Criteria (RCC) with the Resource Loss Protection Criteria (RLPC), and the plan to move items not related to entity compliance from BAL-003-1.1, Attachment A to the Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard procedure passed on initial ballot at 96.41% and will go to final ballot. The industry also voted in favor of the temporary fix for the Interconnection Frequency Response Obligation (IFRO) proposed by the SDT for Phase I that will be addressed again during Phase II. NERC staff will conduct a study regarding IFRO to ensure there will not be any reliability issues created by any proposed changes. The completion date of the study is currently undetermined. There is a possibility that the study may delay seeking Board approval for Phase I in May.

Any relevant issue(s): None at this time.

Phase II:

Phase II work began during the SDT meeting on January 30, 2019. It was decided the ERO Support of Frequency Response and Frequency Bias Setting Standard procedure has been substantially changed during Phase I, so the SDT plans to submit it to the Operating Committee for review. For Phase II, the SDT is developing a formal problem statement and objectives. There are 4 elements in the SAR that will be addressed:

1. IFRO (Load response, mix, and type of generation);
2. Allocation – Existing and possible;
3. FRM – Plan for monitoring; and
4. Appropriate Registered Entities | Equitable allocations.

The SDT is holding a technical workshop on March 26, 2019 at the NERC offices in Atlanta.

- d. 2017-03 – Periodic Review of FAC-008-3 Standard – No report as the project is on hold pending the outcome of the SER project.
- e. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – No report as the project is on hold pending the outcome of the SER project.
- f. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – No report as the project is on hold pending the outcome of the SER project.
- g. 2017-07 – Standards Alignment with Registration – No report as the project is on hold pending the outcome of the SER project.

- h. 2018-01 – Canadian-specific Revisions to TPL-007-2 – C. Yeung reported the standard was adopted at the NERC Board last week and will be filed with regulatory authorities.
- i. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – C. Bellville reported that Draft 2 passed Final Ballot receiving 77.89% approval from industry. The Standard was adopted by the NERC Board last week and will be filed with regulatory authorities.
- j. 2018-03 – Standards Efficiency Review Phase I – M. Brytowski reported the SDT plans to seek SC approval on February 20, 2019 for an initial 45-day posting period and 10-day ballot at the end of the period. A motion by M. Pratt was made in support to accept the SDT baseline as presented in the PTS. The motion was properly seconded and passed unanimously.
S. Barfield-McGinnis provided an update of Phase II, which is just getting started and took an action item to create a Phase II tab in the PTS. K. Ayoub asked if the CIP standards would be a part of this SER project. S. Barfield-McGinnis responded that to his knowledge, not at this time.
- k. 2018-04 – Modifications to PRC-024-2 – L. Lynch reported the SDT plans to submit the revised SAR to the SC on February 20, 2019 for acceptance, at which time the SC will formally appoint the members to the SDT. It was agreed that the SDT should present a baseline schedule to PMOS for acceptance at the March 20, 2019 PMOS meeting.

5. Other

- a. S. Barfield-McGinnis reminded attendees the next meeting is in-person at Austin Energy on March 20, 2019 in Austin, TX. Registration and travel logistics are found on the Standards Calendar.
- b. S. Barfield-McGinnis noted that NERC administrative staff will be working to align the look and feel of the PMOS webpage with the SC webpage.

6. Action Items

- S. Barfield-McGinnis took the following action items to be addressed prior to the next meeting:
 - a. Follow up with the Project 2016-02d Standards Developer to consider a rebase for aligning the project to 18 months.
 - b. Create a Phase II of Project 2017-01 (BAL-003) that will address IFRO and FRM, for example.
 - c. Archive Project 2018-01 as it was filed with regulatory authorities on December 7, 2018.
 - d. On the March 20, 2019 PMOS Agenda, show the action for Project 2018-02 (CIP-008) as “archive” pending the filing.
 - e. Add C. Yeung to Project 2018-04 and confirm he is on the distribution list.
 - f. Add M. Brytowski and L. Lynch as the PMOS Liaisons for Phase II of the SER project and confirm they are on the distribution list(s).

7. Adjournment

C. Yeung adjourned the meeting at 3:18 p.m. Eastern by consent.