

Minutes Board of Trustees

August 10, 2017 | 8:30–11:30 a.m. Eastern

Westin Ottawa
11 Colonel By Drive
Ottawa, ON K1N 9H4, Canada

Call to Order

Mr. Roy Thilly, Chair, called to order the duly noticed open meeting of the Board of Trustees (the “Board”) of the North American Electric Reliability Corporation (“NERC” or the “Corporation”) in Ottawa, Canada, on August 10, 2017, at 8:30 a.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Board Members

Roy Thilly, Chair
Janice B. Case
Gerald W. Cauley, President and Chief Executive Officer
Robert G. Clarke
Kenneth W. DeFontes, Jr.
Frederick W. Gorbet
David Goulding
George S. Hawkins
Jan Schori

NERC Staff

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Associate Director
Howard Gugel, Senior Director of Standards
Stan Hoptroff, Vice President, Chief Technology Officer, and Director of Information Technology
Scott Jones, Vice President, Chief Financial and Administrative Officer, and Corporate Treasurer
Mark G. Lauby, Senior Vice President and Chief Reliability Officer
Bill Lawrence, Senior Director of E-ISAC
Ken McIntyre, Vice President and Director of Standards and Compliance
Sonia Mendonça, Vice President, Deputy General Counsel and Director of Enforcement
James Merlo, Vice President and Director of Reliability Risk Management
Timothy E. Roxey, Vice President and Chief E-ISAC Operations Officer
Marcus H. Sachs, Senior Vice President and Chief Security Officer
Janet Sena, Senior Vice President and Director of Policy and External Affairs
Michael Walker, Senior Vice President and Chief Enterprise Risk and Strategic Development Officer

NERC Antitrust Compliance Guidelines

Mr. Berardesco noted the public nature of the meeting and directed the participants' attention to the NERC Antitrust Compliance Guidelines, which had been included with the advance meeting materials.

Welcoming Remarks

Mr. Thilly welcomed all of the attendees, including Sergio Marchi of CEA, Mike Bardee of FERC, Pat Hoffman of the Department of Energy, and Murray Doehler of CAMPUT. He noted that with the resignations of two Trustees, the Board had placed new members on certain committees, and Mr. DeFontes had agreed to serve as Chair of the Standards Oversight and Technology Committee. Mr. Thilly thanked the NERC staff for all of their efforts in organizing the meetings, and complimented the improved quality of the presentations. Mr. Thilly reported that before the open meeting, as is its custom, the Board met in closed session with NERC management, and subsequently in executive session without NERC management, to review NERC management activities.

Consent Agenda

Upon motion duly made and seconded, the Board approved the consent agenda as follows:

Minutes

The draft minutes for the June 8, 2017 and May 11, 2017 meetings were approved as presented to the Board at this meeting.

Committee Membership Appointments and Charter Revisions

Operating Committee

RESOLVED, that the Board hereby appoints the following individuals to the Operating Committee ("OC"), each for a term of two years:

- Meg Albright of Bonneville Power Administration, representing Federal/Provincial Utility/Power Authority
- Gerry Beckerle of Ameren, representing Investor-Owned Utility
- Robert Blohm of Keen Resources, representing Small End-Use Electricity Customer
- Jason Boniface of Hydro-One, representing Federal/Provincial Utility/Power Authority
- Keith Carman of Tri-State G&T, representing Cooperative Utility
- Kevin Conway of Intellibind Technologies, representing Large End-Use Electricity Customer
- Stephanie Desbiens of Hydro-Quebec TransEnergie, Federal/Provincial Utility/Power Authority
- James Fletcher of American Electric Power, representing Merchant Electricity Generator
- Doug Peterchuck of Omaha Public Power District, representing State/Municipal Utility
- Patricia Poli of Michigan Public Service Commission, representing State Government

- Eric Schmitt of CAISO, representing Independent System Operator/Regional Transmission Organization
- John Stephens of City Utilities of Springfield, representing Transmission Dependent Utility

FURTHER RESOLVED, that the Board hereby appoints the following individual serve as Chair of the OC, for a term of two years:

- Lloyd Linke, Western Area Power Administration

FURTHER RESOLVED, that the Board hereby appoints the following individual serve as Vice Chair of the OC, for a term of two years:

- Dave Zwergel, MISO

Planning Committee

RESOLVED, that the Board hereby appoints the following individuals to the Planning Committee (“PC”), each for a term of two years:

- Kim Adelberg of Southern Company Services, representing Electricity Marketer
- Jeff Billo of ERCOT, representing Independent System Operator/Regional Transmission Organization
- Christine Ericson of Illinois Commerce Commission, representing State Government
- Darryl Lawrence of Pennsylvania Office of Consumer Advocate, representing Small End-Use Electricity Customer
- Matthew Luther of NRG Energy, presenting Merchant Electricity Generator
- Paul McCurley of NRECA, representing Cooperative Utility
- Gayle Nansel of Western Area Power Administration, representing Federal/Provincial Utility/Power Authority
- Katy Onnen of Kansas City Power and Light, representing Investor-Owned Utility
- Robert Reinmuller of Hydro One, representing Federal/Provincial Utility/Power Authority
- Kenneth Stone of Braintree Electric Light Department, representing State/Municipal Utility
- Carl Turner of Florida Municipal Power Agency, representing Transmission Dependent Utility

FURTHER RESOLVED, that the Board hereby appoints the following individual serve as Chair of the PC, for a term of two years:

- Brian Evans-Mongeon, Utility Services Inc.

FURTHER RESOLVED, that the Board hereby appoints the following individual serve as Vice Chair of the PC, for a term of two years:

- Norman Williams, Gridliance

Compliance and Certification Committee Membership

RESOLVED, that the Board hereby approves the appointment of the following individual to serve as Compliance and Certification Committee representatives, for a term of three years:

- Yee Chou, American Electric Power

Critical Infrastructure Protection Committee

RESOLVED, that the Board hereby approves the appointment of the following individual to the Critical Infrastructure Protection Committee, for a term of two years:

- Pat Boody, Tampa Electric Company, replacing Paul McClay, Tampa Electric Company

Proposed Revisions to the Southwest Power Pool, Inc. Bylaws

RESOLVED, that the Board hereby approves the amended and restated Southwest Power Pool, Inc. Bylaws, as presented to the Board at this meeting.

Appointments

NERC Officers

RESOLVED, that the Board, upon recommendation of the President and CEO and the Corporate Governance and Human Resources Committee, hereby appoints the following individuals as officers of the Corporation:

- Scott Jones, Vice President, Chief Financial and Administrative Officer, and Corporate Treasurer
- Michael Walker, Senior Vice President and Chief Enterprise Risk and Strategic Development Officer

Standards Oversight and Technology Committee Chair

RESOLVED that the Board hereby appoints Kenneth W. DeFontes, Jr. as Chair of the Standards Oversight and Technology Committee.

Regular Agenda

Video Remarks by the Honourable James Gordon Carr, Minister of Natural Resources

Mr. Cauley introduced the video remarks of Minister Carr, who welcomed attendees to Ottawa, the center of Canada's 150th anniversary celebrations. He noted that NERC is central to the Canadian electricity markets, creating crucial certainty for the cross-border electricity market.

Remarks by the Honourable Sergio Marchi, President and CEO, CEA

Mr. Cauley introduced Mr. Marchi, who stressed the importance of NERC's work. He noted the strong electricity partnership with the U.S., including reliability, resilience, and a commitment to clean power development. He commented on the positive expansion of NERC from a bilateral relationship with Canada to include a trilateral relationship with Mexico. Mr. Marchi opined that changes to the power industry require constant consideration of new approaches, and that NERC must continue to serve as a forum to develop deeper partnerships.

Remarks by Patricia Hoffman, Acting Assistant Secretary, Department of Energy

Ms. Hoffman noted that she had learned a great deal from the prior day's meetings. DOE continues to focus on affordability, reliability, and resiliency, noting that diversity of generation is directly linked to system flexibility. DOE is charged to look at regulatory reform to spur investments, including infrastructure investments. Ms. Hoffman noted that DOE Secretary Perry has a great interest in cyber security, acknowledging that the electricity sector is seen as a leader. DOE is examining gaps and capabilities for resilience and recovery. She also noted DOE's work around supply chain security concerns, including working with industry vendors.

Remarks by Murray Doehler, Chair, CAMPUT

Mr. Doehler commented on the valuable discussion during the MRC meeting around long-term strategy. He complimented Mr. Walker on his presentation on corporate metrics, which helped enhance understanding of NERC's mission and focus. Mr. Doehler noted the positive developments for the E-ISAC, which should be seen not as a cost center, but an industry-wide resource.

President's Report

Mr. Cauley noted that relationships with Canada and Mexico are fundamental to NERC, and opined that he hoped that the relationships amongst the countries with respect to electricity are beyond political issues. Mr. Cauley expressed his thanks to Laura Hussey for her work on Mexico and Canada issues. He discussed NERC's draft long-term strategic plan, noting the focus on a rapidly changing environment. Mr. Cauley stressed the positive movement on the cyber security supply chain standard and that the Board would be considering further actions to enhance the efforts. On the E-ISAC, he stated that there has been a significant turning point and that it is now a truly significant part of NERC moving forward.

Mr. Cauley introduced Lane Lanford, representing the Regional Entity executives, who focused his remarks on the significance of the CMEP Technology project, noting it is necessary in order to enhance the ERO Enterprise's consistency and effectiveness.

Report on Board of Trustees and Canadian Regulators Meeting

Mr. Thilly Roy reported on the Board meeting with Canadian regulators. He noted there is a need to update the memoranda of understanding with a number of provinces. Mr. Thilly believes there is a shared vision of an integrated ERO for all of North America. He expressed his appreciation for the strong participation of provincial representatives and Mr. Gorbet's role on behalf of the Board on international matters.

Report on Board of Trustees August 8, 2017 Closed Session

Mr. Thilly reported on the closed session with management on the long-term strategic plan, noting that the Board and management are committed to the plan being more than an extended operating plan, but instead a true vision for long-term development for all of the ERO Enterprise. Therefore, it is critical that the Regional Entities and stakeholders are committed to the plan, particularly around key priorities.

Board Committee Reports

Corporate Governance and Human Resources Committee

Mr. Clarke, Committee Chair, noted there were three mandate updates being recommended by the Committee. Upon motion duly made and seconded, the following resolutions were approved:

RESOLVED, that the Board, upon recommendation of the Corporate Governance and Human Resources Committee (the “CGHRC”), hereby approves the Enterprise-wide Risk Committee Mandate, as presented to the Board at this meeting, to replace the Enterprise-wide Risk Committee Mandate approved by the Board on February 11, 2016.

FURTHER RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves the Finance and Audit Committee Mandate, as presented to the Board at this meeting, to replace the Finance and Audit Committee Mandate approved by the Board on February 11, 2016.

FURTHER RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves the Nominating Committee Mandate, as presented to the Board at this meeting, to replace the Nominating Committee Mandate approved by the Board on November 4, 2010.

Mr. Clarke also reported that the Committee had approved new membership for the company’s retirement plan committees, and had received a very positive report on employee development and retention, including a sharply reduced attrition rate.

Compliance Committee

Ms. Case, Committee Chair, reported on the public meeting which occurred the prior day, focused on alignment efforts across the ERO Enterprise. She expressed appreciation to the ERO Enterprise staff for their work on alignment and to the CCC and its Chair, Patti Metro, for their work in supporting the efforts. She also noted the excellent report on CIP v5 implementation.

Finance and Audit Committee

Ms. Schori, Committee Chair, stated the Committee had three action items for the Board – acceptance of the 2017 Second Quarter 2017 Unaudited Statement of Activities, approval of the 2018 Business Plans and Budgets for NERC, the Regional Entities and WIRAB, and designation of authorized signatories for NERC accounts. Upon motion duly made and seconded, the following resolutions were approved:

First Quarter 2017 Unaudited Statement of Activities

RESOLVED, that the Board, upon recommendation of the Finance and Audit Committee, hereby accepts the NERC Second Quarter 2017 Unaudited Statement of Activities, as presented to the Board at this meeting.

NERC, Regional Entity and WIRAB Proposed 2018 Business Plans and Budgets

RESOLVED, that the Board hereby approves the following, substantially in the form presented to the Board at this meeting:

- i. The proposed 2018 NERC Business Plan and Budget, including the additions to, and use of, the Assessment Stabilization Reserve;
- ii. The proposed 2018 Business Plans and Budgets of the eight Regional Entities and the Western Interconnection Regional Advisory Board; and
- iii. The proposed 2018 assessments to recover the costs of the approved 2018 budgets, subject to adjustments to reflect final Net Energy for Load numbers, together with such other adjustments as may be necessary.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Designation of Authorized NERC Account Signatories

WHEREAS, NERC has established bank accounts and credit facilities with PNC Bank, National Association (“PNC”);

WHEREAS, PNC requires that the Board approve resolutions designating the authorized signatories on such accounts and credit facilities; and

WHEREAS, the Board intends to designate such required signatories and to authorize management to approve on behalf of the Board such forms of resolutions as are required by PNC from time to time to designate such signatories and to otherwise evidence the corporate approval of the bank accounts and credit facilities with PNC;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby designates the following authorized signatories for each banking or similar account NERC has with PNC:

Gerald W. Cauley
Scott Jones
Andy Sharp

FURTHER RESOLVED, that the each of NERC’s president and chief executive officer, chief financial officer, and general counsel are hereby authorized to approve such forms of resolutions as are requested by PNC in connection with each bank account and credit facility to evidence the foregoing designations and such other matters as are necessary and appropriate to maintain the bank accounts and existing credit facilities with PNC, and upon such approval, such resolutions shall be included with the records of the actions of the Board and be deemed as approved by the Board.

FURTHER RESOLVED, that each of NERC’s president and chief executive officer, chief financial officer, and general counsel are authorized to take such other actions and execute such other documents as they deem necessary or appropriate to effectuate the foregoing resolutions.

Enterprise-wide Risk Committee

Mr. Goulding, Committee Chair, summarized the recent meeting of the Committee, including recommendation of mandate revisions, a review of key risk mitigation activities, including a review of the company’s approach to “tone at the top” and the company’s crisis action plan, and a CCC update.

Standards Oversight and Technology Committee

Mr. DeFontes, Committee Chair, noted the content of the Committee’s meeting had been reviewed at the MRC meeting.

Nominating Committee

Mr. Gorbet, Committee Chair, reported on the Committee’s search for two new trustees, noting the Committee had determined to nominate each of Ms. Schori and Mr. Hawkins for a new term. The Committee has a strong slate of candidates for potential interviews.

Standards

Mr. Gugel presented on the following Reliability Standards related projects. After discussion, and upon motions duly made and seconded, the Board approved the following resolutions:

CIP-013-1 Cyber Security – Supply Chain Risk Management

RESOLVED, that the Board hereby adopts proposed Reliability Standards CIP-005-6, CIP-010-3, and CIP-013-1, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plans, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standards, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standards CIP-005-5 and CIP-010-2, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Mr. Thilly proposed that the Board adopt resolutions setting forth its request for further efforts around the new standards. Mr. Berardesco reviewed the resolutions. Upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, the Board has adopted proposed Reliability Standards CIP-005-6, CIP-010-3, and CIP-013-1, addressing cyber security supply chain risk management issues (the “Supply Chain Standards”), and approved the associated implementation plans;

WHEREAS, the Board has solicited and considered policy input from NERC stakeholders in connection with the adoption of the Supply Chain Standards, including soliciting recommendations (i) to support effective implementation of the Supply Chain Standards, (ii) to evaluate the effectiveness of the Supply Chain Standards, (iii) on risks and related issues for continued study by NERC on a collaborative basis, and (iv) for other actions NERC should take, potentially in collaboration with trade forums and small system representatives, to address potential supply chain risks;

WHEREAS, the Board, in response to the foregoing policy input and input from NERC management, desires to request certain actions by NERC management and stakeholders to assist in the implementation and evaluation of the Supply Chain Standards and other action to address potential supply chain risks for assets not currently subject to the Supply Chain Standards;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby requests that NERC management promptly commence appropriate preparations for implementation of the Supply Chain Standards, utilizing methods similar to those utilized for the implementation of the CIP v 5 reliability standards as deemed appropriate by NERC management, and regularly report to the Board on such activities.

FURTHER RESOLVED, that the Board hereby requests that (i) NERC management, in collaboration with industry representatives and appropriate experts, including representatives of industry vendors, further study the nature and complexity of cyber security supply chain risks, including risks associated with low impact assets not currently subject to the Supply Chain Standards, and develop recommendations for follow-up actions that will best address any issues identified, and (ii) NERC management provide an interim report to the Board related to the foregoing by no later than approximately 12 months after the adoption of these resolutions and a follow-up final report to the Board no later than approximately 18 months after the adoption of these resolutions.

FURTHER RESOLVED, the Board hereby requests that the NERC management, utilizing information it is authorized to use and other information collected through interactions with industry and governmental authorities, communicate supply chain risk developments and risks to industry and in connection with the efforts contemplated by the foregoing resolutions.

FURTHER RESOLVED, that the Board hereby requests that each of the North American Transmission Forum and the North American Generation Forum (the “Forums”) develop white papers to address best and leading practices in supply chain management, including procurement, specifications, vendor requirements and existing equipment management, that are shared across the membership of each Forum, and to the extent permissible under any applicable confidentiality requirements, distribute such white papers to industry.

FURTHER RESOLVED, that the Board hereby requests that each of the National Rural Electric Cooperative Association and the American Public Power Association (the “Associations”) develop white papers addressing issues contemplated by the immediately preceding resolution, focusing on smaller entities that are not members of the Forums, for the membership of the Associations, and to the extent permissible under any applicable confidentiality requirements, distribute such white papers to industry.

FURTHER RESOLVED, that the Board hereby requests that NERC management, collaborating with the appropriate NERC technical committees and other experts as deemed appropriate by management, develop a plan to evaluate the effectiveness of the Supply Chain Standards, including seeking input from registered entities subject to the Supply Chain Standards, and report back to the Board as appropriate.

PRC-006-3 – Automatic Underfrequency Load Shedding NPCC Regional Variance for the Quebec Interconnection

RESOLVED, that the Board hereby adopts proposed Reliability Standard PRC-006-3, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard PRC-006-2, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

BAL-502-RF-03 Planning Resource Adequacy Analysis, Assessment, and Documentation

RESOLVED, that the Board hereby adopts the proposed regional Reliability Standard BAL-502-RF-03, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard BAL-502-RF-02, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

PRC-006-SERC-02 Automatic Underfrequency Load Shedding Requirements

RESOLVED, that the Board hereby adopts the proposed regional Reliability Standard PRC-006-SERC-02, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard PRC-006-SERC-01, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions

Compliance Filing in Response to FERC Directive to Change BAL-002-2 VRFs

RESOLVED, that the Board hereby approves the changes to the Violation Risk Factors for Reliability Standard BAL-002-2, Requirements R1 and R2 from “medium” to “high.”

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Reaffirmation of VAR-001-4.1 and VAR-002-4 Project 2016-EPR-02 Enhanced Periodic Review of Voltage and Reactive Standards

RESOLVED, that the Board hereby adopts the reaffirmation of Reliability Standards VAR-001-4.1 and VAR-002-4, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Other Matters and Reports

E-ISAC Quarterly Update

Mr. Sachs presented the quarterly E-ISAC update, referencing the materials included in the advance agenda package, including various statistics, advisories and reports, a technology update, and a staffing update. He summarized several significant activities, including workshop sessions, progress against the E-ISAC strategic plan, development of the new E-ISAC portal and the Cyber Hygiene and Internet Risk Program initiative, which is a free program that leverages an existing DHS initiative.

Mr. Lawrence reported on GridSecCon, which is scheduled for October 17-20, and GridEx IV, which is scheduled for November 15-16. Mr. Cauley commended Mr. Lawrence and the E-ISAC team for the excellence of these events. He noted that participation is expected from senior government leaders. Ms. Hoffman noted that the federal government is focusing on the E-ISAC as a critical communication forum with industry.

Update of NERC Membership Roster

Mr. Berardesco summarized the proposed upcoming membership renewal process, required by the NERC Bylaws, referencing the materials included in the advance agenda package.

Committee Reports

Representatives of the Standing Committees provided reports to the Board highlighting items from their written reports, which had been included with the advance meeting materials.

Operating Committee

Lloyd Linke Committee Chair, referenced the written report. He expressed his appreciation for the Board approval of new Committee leadership. He noted the Committee had reviewed and revised guidelines and technical documents, highlighted the work of subcommittees, and noted work on charter revisions. The Committee also honored Jim Case for his leadership of the Committee.

Planning Committee

Brian Evans-Mongeon, Committee Chair, referenced the written report, and thanked the Board for the approval of new Committee leadership. He highlighted several items from the written report including continued work on the special assessment on single points of failure and the work of the Essential Reliabilities group. The Committee is also considering ways to make it more effective and efficient, including the structure and conduct of meetings.

Critical Infrastructure Protection Committee

Marc Child, Committee Chair, summarized and highlighted portions of the written report, including work on CIP implementation guidance and the remote access study.

Member Representatives Committee

John Twitty, MRC Chair, summarized the issues that had been discussed at the MRC meeting on the previous day, including the discussion around the long-term strategy and the update on the SPP Regional Entity dissolution.

Personnel Certification Governance Committee

Brett Hallborg, Committee Chair, referenced the written report, highlighting key activities, including a survey of the operator population. The Board discussed follow up actions when an operator does not pass a test.

Standards Committee

Mr. Gugel presented on behalf of the Committee Chair, noted that the written report had been reviewed the prior day.

Reliability Issues Steering Committee

Peter Brandien, Committee Chair, noted the Committee's follow up discussions on risk profiles, pulse point surveys, and the schedule for development of the next Committee report.

Compliance and Certification Committee

Patti Metro, Committee Chair, noted the Committee's work on proposed Rules of Procedure amendments, serving as audit observers on an audit of NERC standards related issues, and support of efforts around ERO Enterprise alignment and the CMEP technology project.

Electricity Subsector Coordinating Council

Mr. Hawkins, ESCC Board Observer, reported on the recent meeting, key topics that had been discussed and overall industry support for NERC and the E-ISAC. He noted the recent executive order on cyber security efforts.

Forum and Group Reports

North American Energy Standards Board (NAESB)

No report.

North American Transmission Forum

Tom Galloway, Forum CEO, noted the importance of the RISC report and the Forum's work on industry resilience.

North American Generator Forum

Allen Shriver, Forum COO, referenced the written report and thanked NERC for hosting a recent meeting on inverters.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Charles A. Berardesco
Corporate Secretary

Agenda

Board of Trustees

August 10, 2017 | 8:30–11:30 a.m. Eastern

(Please note the Schedule may be adjusted real-time should meetings conclude early and/or extend past their scheduled end time.)

Westin Ottawa
11 Colonel By Drive
Ottawa, ON K1N 9H4, Canada

Conference Room: Confederation II/III – 4th Floor

Call to Order

NERC Antitrust Compliance Guidelines—Public Announcement

Introductions and Chair's Remarks

Consent Agenda – Approve

1. Minutes*

- a. June 8, 2017 Conference Call
- b. May 11, 2017 Meeting

2. Committee Membership and Charter Changes*

- a. Operating Committee Membership
- b. Planning Committee Membership
- c. Compliance and Certification Committee Membership
- d. Critical Infrastructure Protection Committee Membership

3. Proposed Revisions to the Southwest Power Pool, Inc. Bylaws Relating to the RE Function

4. Appointments

- a. NERC Officers
- b. Standards Oversight and Technology Committee Chair

Regular Agenda

5. Remarks and Reports

- a. Video Message by The Honourable James Gordon Carr, Minister of Natural Resources
- b. Remarks by Honourable Sergio Marchi, President and Chief Executive Officer, CEA
- c. Remarks by Peter Gregg, President and Chief Executive Officer, IESO
- d. Remarks by Patricia Hoffman, Acting Assistant Secretary, DOE

- e. Remarks by Murray Doehler, Chair, CAMPUT
 - f. Review of August 9, 2017 Meetings
 - g. President's Report
- 6. Report on Board of Trustees and Canadian Regulators Meeting – Information**
- 7. Report on Board of Trustees August 8, 2017 Closed Session – Information**
- 8. Board Committee Reports**
- a. Corporate Governance and Human Resources
 - i. Committee Mandate Revisions: Enterprise-wide Risk, Finance and Audit, Nominating – **Approve**
 - b. Compliance
 - c. Finance and Audit
 - i. Second Quarter Unaudited Financial Statements – **Accept**
 - ii. NERC and Regional Entity Proposed 2018 Business Plans and Budgets – **Approve**
 - iii. Designation of Authorized NERC Account Signatories – **Approve**
 - d. Enterprise-wide Risk
 - e. Standards Oversight and Technology
 - f. Nominating Committee
- 9. Standards***
- a. CIP-013-1 – Cyber Security - Supply Chain Risk Management – **Adopt**
 - b. PRC-006-3 – Automatic Underfrequency Load Shedding NPCC Regional Variance for the Quebec Interconnection – **Adopt**
 - c. BAL-502-RF-03 Planning Resource Adequacy Analysis, Assessment, and Documentation – **Adopt**
 - d. PRC-006-SERC-02 Automatic Underfrequency Load Shedding Requirements – **Adopt**
 - e. Compliance Filing in Response to FERC Directive to Change BAL-002-2 VRFs – **Approve**
 - f. Reaffirmation of VAR-001-4.1 and VAR-002-4 Project 2016-EPR-02 Enhanced Periodic Review of Voltage and Reactive Standards – **Adopt**
- 10. Other Matters and Reports***
- a. E-ISAC Quarterly Update – **Information**
 - i. E-ISAC Long-Term Strategic Plan Update
 - b. Update of NERC Membership Roster – **Information**
- 11. Committee Reports***
- a. Operating Committee
 - b. Planning Committee

- c. Critical Infrastructure Protection Committee
- d. Member Representatives Committee
- e. Personnel Certification Governance Committee
- f. Standards Committee
- g. Reliability Issues Steering Committee
- h. Compliance and Certification Committee
- i. Electricity Subsector Coordinating Council

12. Forum and Group Reports*

- a. North American Energy Standards Board
- b. North American Transmission Forum
- c. North American Generator Forum

13. Adjournment

*Background materials included.