

Minutes

Board of Trustees Compliance Committee

August 13, 2014 | 10:00 a.m. Pacific

The Westin Bayshore
1601 Bayshore Drive
Vancouver, BC V6G 2V4

Bruce A. Scherr, Chair, called to order the duly noticed open meeting of the Board of Trustees Compliance Committee (the Committee) of the North American Electric Reliability Corporation on August 13, 2014 at approximately 10:00 a.m. Pacific, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members:

Bruce A. Scherr, Chair
Janice B. Case
Frederick W. Gorbet
David Goulding
Jan Schori
Roy Thilly

Board of Trustees Members:

Gerry W. Cauley, President and Chief Executive Officer
Paul F. Barber
Robert G. Clarke
Douglas Jaeger
Kenneth G. Peterson

NERC Staff:

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Jerry Hedrick, Director of Regional Oversight for Compliance
Sonia Mendonça, Associate General Counsel and Director of Enforcement
Rebecca Michael, Senior Director, Reliability
Steven Noess, Associate Director of Standards Development

Regional Entity Staff:

W. Lane Lanford, Texas Reliability Entity, Inc., President, Chief Executive Officer
Scott Henry, SERC Reliability Corporation, Chief Executive Officer and President
Connie White, Western Electricity Coordinating Council, Vice President of Compliance
Curtis Crews, Texas Reliability Entity, Inc., Director, Compliance Assessments

Registered Entity Representatives

Angie Sheffield, Georgia Transmission Corporation, Vice-President – General Auditor and Chief Regulatory Compliance Officer
Charles B. Manning, Electric Reliability Council of Texas, Vice President, Chief Compliance Officer

A listing of industry attendees is attached as **Exhibit B**.

NERC Antitrust Compliance Guidelines

Mr. Scherr directed the participants' attention to the NERC Antitrust Compliance Guidelines.

Minutes

Upon motion duly made and seconded, the May 6, 2014 meeting minutes were approved as presented at the meeting.

Reliability Assurance Initiative (RAI) Progress Report

A panel of NERC, Regional Entity, and registered entity representatives comprised of Mr. Crews, Mr. Hedrick, Mr. Henry, Mr. Lanford, Mr. Manning, Ms. Mendonça, Ms. Sheffield, and Ms. White, provided an update on RAI.

Ms. Mendonça provided an update on the RAI enforcement activities, focusing on the self-logging and compliance exception programs. Mr. Hedrick and Mr. Lanford provided overviews of the compliance monitoring activities and a timeline of next steps and milestones.

The panel discussed the experience of three registered entities, Tucson Electric Power, Georgia Transmission Corporation, and ERCOT, which were not part of RAI pilots, but have since been involved in RAI compliance monitoring processes, specifically the Inherent Risk Assessment and Internal Controls Evaluation.

Physical Security Implementation

Mr. Noess provided information regarding initial coordination to ensure auditor training and consistent application of proposed Reliability Standard CIP-014-1, which addresses physical security risks and vulnerabilities of critical facilities on the bulk power system.

Key Compliance and Enforcement Metrics and Trends

Ms. Mendonça highlighted enforcement metric improvements made during the second quarter.

There being no further business, and upon motion duly made and seconded, the meeting was adjourned at approximately 11:00 a.m. local time.

Submitted by,



Charles A. Berardesco
Corporate Secretary