

## Minutes

# Standards Oversight and Technology Committee

May 4, 2016 | 8:30 – 9:30 a.m. Central

The Westin Chicago River North  
320 N Dearborn Street  
Chicago, IL 60654

Mr. Kenneth G. Peterson, Chair, called to order a duly noticed meeting of the Standards Oversight and Technology Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC”) on May 4, 2016, at 8:30 a.m. Central, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

**Members:**

Kenneth G. Peterson, Chair  
Paul F. Barber  
Kenneth W. DeFontes, Jr.  
Frederick W. Gorbet  
David Goulding  
George Hawkins

**Board Members:**

Gerald W. Cauley, President and Chief Executive Officer  
Robert G. Clarke  
Jan Schori  
Roy Thilly

**NERC Staff:**

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary  
Tina Buzzard, Administrative Associated Director  
Robert Goldfin, Associate Counsel  
Howard Gugel, Director of Standards  
Stan Hoptroff, Vice President and Chief Technology Officer  
Michael Walker, Senior Vice President, Chief Financial and Administrative Officer, and Treasurer

**NERC Antitrust Compliance Guidelines**

Mr. Peterson directed the participants’ attention to the NERC Antitrust Compliance Guidelines included with the agenda materials, and stated that any additional questions regarding these guidelines should be directed to Mr. Berardesco.

**Minutes**

Upon motion duly made and seconded, the Committee approved the minutes of the February 2, 2016, meeting as presented at the meeting.

**Major IT Initiatives for 2017 and Preliminary Budget**

Mr. Hoptroff summarized the major Information Technology (IT) initiatives planned for 2017, referencing the detailed materials that had been included in the advance agenda package. He discussed projects completed in 2016, projects carried over into 2017, and key projects focused on data security. He commented that NERC's security initiatives are driven in part to protect the confidentiality of stakeholders' data submittals pursuant to Section 1600 of the NERC Rules of Procedure. He also presented the preliminary 2017 IT budget.

**NERC and ERO Enterprise IT Projects Update**

Mr. Hoptroff provided an update on NERC and ERO Enterprise IT projects, referencing the detailed materials that had been included in the advance agenda package. He reported several projects were completed since the February 2016 conference call, and presented IT projects currently underway. He noted that in 2017 IT will place significant emphasis on ERO Enterprise Compliance Monitoring and Enforcement Program (CMEP) tools, enhancing analytical capabilities for authorized users and capturing NERC business processes.

The Committee discussed investigating a new CMEP tool, and whether to pursue one common data portal for the ERO Enterprise or multiple portals for the various Regional Entities. Mr. Hoptroff proposed that IT solutions should be inclined towards consistency throughout the ERO Enterprise. Mr. Cauley noted that changes in processes should be done methodically, and requested further input from the Regional Entities.

Mr. Hoptroff discussed the 2017 IT budget in regard to the ERO Enterprise, focusing on four categories: (1) ERO Enterprise Infrastructure & Support, (2) ERO Enterprise New Functionality, (3) NERC Infrastructure & Support, and (4) NERC New Functionality. In response to stakeholder comments regarding NERC's website, Mr. Hoptroff acknowledged that stakeholder interface could be enhanced and that NERC will focus on the website this year.

**Registered Ballot Body Annual Self-Selection Process**

Mr. Gugel reviewed Section 305 of the NERC Rules of Procedure which sets forth the rules pertaining to the composition of, and eligibility to participate in, the Registered Ballot Body (RBB). He detailed the steps for entities to become members of the RBB, and explained that certain vendors were also eligible to join the RBB if they can prove that they provide products related to the BPS to relevant RBB members.

Mr. Gugel presented NERC Rules of Procedure Appendix 3D which requires all RBB members to annually self-select to belong to one of the RBB Segments. He stated that NERC staff expects to initiate an enhanced approach to identifying and certifying self-selected RBB members, and that the initial notification of this annual self-selection will be distributed in May 2016. He also noted that if an entity fails to submit the annual self-selection, they could be suspended from the ballot pools.

**Reliability Standards Quarterly Status Report**

Mr. Gugel presented the Reliability Standards Quarterly Status Report, referencing the detailed materials that had been included in the advance agenda package. Mr. Murphy provided: (1) the status of the 2016-2018 Reliability Standard Development Plan, (2) a forecast of the Reliability Standards anticipated for completion through November 2016, (3) an update on the Paragraph 81 and Independent Expert Review

Panel's recommendations for standard requirement retirement, (4) a report on the progress of outstanding FERC directives and guidance, and (5) a report of the Standards Committee's key activities and progress from first quarter.

Upon request by Mr. Peterson, Mr. Murphy provided an update on the metric the Standards Committee would use to review Reliability Standards, as discussed in the February 2016 conference call. Mr. Murphy detailed the proposed grading system and periodic review for new Reliability Standards, and invited stakeholders to participate in each step of the process.

**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

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### Call to Order

### Introductions and Chair's Remarks

### NERC Antitrust Compliance Guidelines

### Agenda Items

- 1. Minutes\* — Approve**
  - a. February 2, 2016 Meeting
- 2. Major IT Initiatives for 2017 and Preliminary Budget\* — Review**
- 3. NERC and ERO Enterprise IT Projects Update\* — Review**
- 4. Registered Ballot Body Annual Self-Selection Process\* — Review**
- 5. Reliability Standards Quarterly Status Report\* — Review**
- 6. Adjournment**

\*Background materials included.