

Agenda

Technology and Security Committee

May 12, 2021 | 12:30-1:45 p.m. Eastern
Virtual Meeting

Attendee WebEx Link: [Join Meeting](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines*

Agenda Items

1. **Minutes* — Approve**
 - a. February 3, 2021 Meeting
2. **E-ISAC Operations* — Update**
3. **ERO Enterprise Align Project* — Update**
4. **ERO Enterprise Business Technology Projects* — Update**
5. **Other Business and 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.

DRAFT Minutes Technology and Security Committee Meeting

February 3, 2021 | 2:30–3:30 p.m. Eastern
WebEx

Call to Order

Chair Suzanne Keenan called to order a duly noticed open meeting of the Technology and Security Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC” or the “Company”) on February 3, 2021, at 2:30 p.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Suzanne Keenan, Chair
Kenneth W. DeFontes, Jr.
Robin E. Manning
Jan Schori
Roy Thilly, *ex officio*

Board Members

Jane Allen
Robert G. Clarke
George S. Hawkins
Jim Piro
James B. Robb, NERC President and Chief Executive Officer
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Shamai Elstein, Assistant General Counsel
Howard Gugel, Vice President, Engineering and Standards
Kelly Hanson, Senior Vice President, Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Dee Humphries, Director, Project Management Office
Mark Lauby, Senior Vice President and Chief Engineer
Justin Lofquist, Director, Enterprise Application Architecture
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Chief Financial Officer
Mechelle Thomas, Vice President, Compliance

Introduction and Chair’s Remarks

Ms. Keenan welcomed the Committee members and thanked the IT and cyber security professionals for their work amid COVID-19. She recognized Electricity Information Sharing and Analysis Center (E-ISAC) staff in supporting industry response to the recent supply chain compromise and thanked industry for their prompt response to the NERC Alert.

NERC Antitrust Compliance Guidelines

Ms. Buzzard directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda, and indicated that all questions regarding antitrust compliance or related matters should be directed to Ms. Mendonça.

Regular Agenda**Minutes**

Upon motion duly made and seconded, the November 4, 2020 meeting minutes were approved as presented at the meeting.

Proposed Amendments to Committee Mandate

Mr. Elstein noted that the Committee is required to review its mandate on an annual basis. He highlighted that NERC is proposing revisions to the mandate to specifically reference the committee's role in: (1) reviewing NERC's cyber security posture at least once annually; (2) providing the Finance and Audit Committee and the Board with recommendations regarding the E-ISAC's budget as part of the annual business plan and budgeting process; and (3) serving as the Board's liaison with the Electricity Subsector Coordinating Council's Member Executive Committee for the E-ISAC.

After discussion, and upon motion duly made and seconded, the Committee recommended the revised mandate for approval by the Corporate Governance and Human Resources Committee.

Supply Chain Compromise

Mr. Cancel provided an update on the recent supply chain compromise. He reviewed the timeline of events, noting that the supply chain attack targeted the SolarWinds Orion software suite. Mr. Cancel presented on NERC's activation of the Business Continuity Plan and ERO Crisis Action Plan in response to the event. He highlighted NERC's ongoing outreach and coordination with stakeholders, trade associations, and government agencies.

E-ISAC Operations

Mr. Cancel provided an overview of E-ISAC's operations. He highlighted: (1) increased membership; (2) the cyber and physical security threat landscape; (3) GridEx VI; (4) member and partner engagement; (5) the upcoming E-ISAC Portal upgrade; and (6) the 2022 budget cycle.

ERO Enterprise Align Project

Ms. Humphries and Mr. Hoptroff provided an update on the ERO Enterprise Align project. Mr. Hoptroff provided an update on the Align Project, noting that it will provide the ERO Enterprise with a secure, effective, and harmonized platform with which to execute its Compliance Monitoring and Enforcement Program (CMEP) responsibilities. Ms. Humphries highlighted: (1) the Align and ERO Secure Evidence Locker (SEL) timeline; (2) the change management process; (3) Release 2; and (4) current challenges.

ERO Enterprise Secure Evidence Locker

Mr. Hoptroff and Mr. Lofquist provided an update on the ERO SEL. Mr. Hoptroff provided an overview of the ERO SEL, noting that it will support the secure transfer, management, retention, and destruction of sensitive registered entity files used in CMEP activities. Mr. Lofquist presented on: (1) the ERO SEL's strategic approach to security; (2) the current status of the ERO SEL; and (3) potential risks.

ERO Enterprise Business Technology Projects

Mr. Hoptroff provided an update on the ERO Enterprise business technology projects, referencing the materials included in the advance agenda package. He also presented on the Security Advisory Group, an advisory body established by NERC Management that represents all industry sectors.

Adjournment

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

Submitted by,



Sonia Mendonca
Corporate Secretary

Electricity Information Sharing and Analysis Center (E-ISAC) Operations

Action

Update

Background

Management will provide the Technology and Security Committee an update regarding E-ISAC operations. The update will include a discussion of the E-ISAC's interaction with the new U.S. presidential administration; the threat landscape, including an update on the recent supply chain compromise; engagement with the public power segment; Cyber Risk Information Sharing Program operational technology pilots; updates to the E-ISAC Portal; GridSecCon and GridEx VI; and stakeholder feedback surveys, among other items.

ERO Enterprise Align Project

Action

Update

Background

Management will provide an update on the status of the Align Project, including future release dates. The Align tool, together with the ERO Secure Evidence Locker (ERO SEL), will provide the ERO Enterprise with a secure, effective, and harmonized platform with which to execute its Compliance Monitoring and Enforcement Program responsibilities. These new tools will allow the retirement of existing legacy systems in use at NERC and the Regional Entities, and substantially increase the security of registered entity data and ERO Enterprise work products. Further, it will enable better oversight of Regional Entity processes, improve the quality and security of reporting, and provide substantial registered entity convenience with the integration to the Align tool (but not to the ERO SEL) of the Centralized Organization Registration ERO System registry and the standards repository.

ERO Enterprise Business Technology Projects

Action

Update

Background

NERC Information Technology continues in its mission to deliver technology solutions supporting an effective and efficient use of resources for registered entities and across the ERO Enterprise. Management will provide an update on the E-ISAC's adoption of Salesforce, the use of hybrid meeting technologies, the Security Advisory Group, and priorities looking ahead.