

Meeting Notes Project 2014-04 Physical Security Standard Drafting Team

April 2-3, 2014 | 8:00 a.m. – 5:00 p.m. Eastern

**NERC Headquarters
Atlanta, GA Administrative**

1. Introductions

The chair called the meeting to order at 8:00 a.m. EDT, April 2, 2014 and introductions were made by all participants. Participants were:

Members			
Name	Company	Name	Company
Susan Ivey	Exelon Corporation	Stephen Pelcher	Santee Cooper
Lou Oberski	Dominion	John Pespisa	Southern California Edison
John Breckenridge	Kansas City Power & Light	Robert Rhodes	Southwest Power Pool
Ross Johnson	Capital Power	Allan Wick	Tri-State Generation and Transmission Association, Inc.
Kathleen Judge (Remote)	National Grid	Manho Yeung	Pacific Gas and Electric
Mike O'Neil	NextEra/FPL		
Brian Harrell	NERC Staff	Mark Olson (Standards Developer)	North American Electric Reliability Corporation
Matt Blizard	NERC Staff	Steven Noess (Associate Director of Standards)	North American Electric Reliability Corporation

Observers			
Name	Company	Name	Company
Regis Binder	FERC	Ted Franks	FERC
Brian Murphy	NextEra	Andres Lopez	FERC
Additional observers attached		Various listen-only participants by WebEx	

2. Determination of Quorum

The rule for NERC Standard Drafting Team (SDT or team) states that a quorum requires two-thirds of the voting members of the SDT. Quorum was achieved as 11 of 11 total members participated.

3. NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and public announcement were reviewed by Mark Olson. There were no questions raised. Participant conduct policy was reviewed.

4. Administrative and Safety

Building evacuation plan, emergency procedures, and office layout were reviewed by Mark Olson.

Agenda

1. **Chair Introductory Remarks.** Susan Ivey welcomed the drafting team and observers. She reviewed the agenda.
2. **Meeting notes from March 28 SDT conference call were reviewed.**
3. **Discussion themes from the April 1 technical conference were reviewed as summarized below:**
 - a. Criteria for determining applicable entities: General support for the CIP criteria used in the applicability. Some urged a more definitive bright line criteria, addition of Generation or functional entities that would help determine critical assets (RC, TP).
 - b. Identification of critical facilities
 - Requirement R1 discussion topics: Clarify what “risk assessment by transmission analysis” means. Look at control center protections afforded under existing CIP standards to avoid duplication.
 - Requirement R3 discussion topics: Time limit is an issue; entity responsible for the requirement does not control. An appeal or exemption process for critical assets was discussed. Ensure the ‘independent’ aspect works for all entities/regions (where TO is PC, RC, TP)
 - c. Evaluation of potential threats and vulnerabilities

- Requirement R4 discussion topics: Discussed providing additional specificity on what threats needed to be included. Alternate ways to maintain flexibility were considered.
- d. Development and implementation of physical security plans
- Requirement R5 discussion topics: Discussions centered on what needed to be included for specificity; what role could a guidance document play in setting the expectation
 - Requirement R6 discussion topics: Include federal, state, and local law enforcement as reviewers; A responsible entity may have other valid reasons beyond 'technical' for not following reviewer recommendations.
- e. Proposed standard implementation plan. Conference attendees expressed concern over the amount of time for getting reviews completed, and overwhelming entities that conduct reviews or verifications.
4. **SAR Review.** SAR comments were distributed to the drafting team prior to the meeting. Mark Olson provided an overview of SAR comments and asked if there were any discussion items. The drafting team agreed that issues raised in the SAR were consistent with those discussed at the technical conference. The drafting team agreed to the project scope as outlined in the SAR.
5. **Revisions to the draft standard. The chair led the discussion of revisions.**
- a. Review of Applicability. The drafting team considered changes to the applicability including the addition of 230 kV and a raising of the Aggregate Weighted Value. They agreed that the applicability in the draft standard provided the conservative threshold necessary to include all assets that meet the FERC directive. Because they expect many functional entities will be included that do not identify critical assets using the criteria in Requirement R1, the team supports a longer periodicity between R1 risk assessments for entities that have not previously identified and asset in R1. The team discussed whether this introduced risk that a facility that is critical as a result in a change in the system would not be identified in a timely manner and they agreed that this would not occur. Lou Oberski took an action item to draft guidelines and technical basis for the section.
 - b. Review of draft Requirement R1. A 60-month periodicities was added to the draft as discussed in Applicability. Several clarifying changes to language were made. Manho Yeung and Mike O'Neill took an action item to draft guidelines and technical basis for the requirement.
 - c. Review of draft Requirement R2. No changes were necessary.
 - d. Review of draft Requirement R3. The drafting team added language to ensure TOPs were notified if a control center was removed from the list identified in R1 by the third party reviewer.
 - e. Review of draft Requirement R4. Darren Nielsen commented that the term 'Realistic' is not specific. The team agreed to change language to 'high probability or likelihood of occurrence', and added parts to the requirement to be factored into the determination. The drafting team

discussed whether including intelligence and warnings in the sub-parts implied that the assessment must be frequently updated and agreed that the language was clear that this was part of the language implied that the assessment must be frequently updated and agreed that as written these warning were to be used in determining what could be 'realistically contemplated'. It was proposed to add 'critical components' to R4 as the focus of the threat evaluations and the SDT voted 10-1 to not add this language. Several clarifying changes to language were made. Robert Rhodes and Brian Harrell took an action item to draft guidelines and technical basis for the requirement.

- f. Review of draft Requirement R5. The drafting team incorporated language from NERC CIP guidelines for physical security into part 5.1. It was suggested to add a specific part requiring entities to have security measures for equipment in outage; the team determined that security planning applied to equipment in outage and a specific part to the requirement was unnecessary. It was proposed to include a requirement to test the security plan periodically; the SDT did not support agree that this was necessary or beneficial for the standard. Several clarifying changes to language were made. Brain Harrell and Ross Johnson took an action item to draft guidelines and technical basis for the requirement.
- g. Review of draft Requirement R6.
 - The drafting team replaced the term 'independent' with unaffiliated to more clearly convey the intent that the reviewer is not from the same corporate ownership.
 - The drafting team discussed qualifications of reviewers and various alternatives. A framework of alternatives for acceptable reviewers is desired, and should include certified professionals, members of organizations with physical security experience, industry physical security experience, and ERO approved reviewers. FERC observer Ted Franks commented that the third party review provisions in the FERC Order were intended to provide a means for bringing appropriate expertise to the security planning and avoid the need for ERO to rapidly develop security expertise in the compliance organizations.
 - The drafting team supports the concept that the 3rd party reviewer and an expert that helped develop the plan in R4/R5 could be the same.
 - Ross Johnson explained the concern from Canadian entities over the 90 day deadline and the incompatibility with the government rules for contracting Requests for Proposals (RFP). The drafting team believed that the entity would have to initiate the request early in the planning process, and that a longer deadline in R6 was not desirable.
 - Language was incorporated into part 6.3 to clarify the justification required for not modifying a security plan in response to 3rd party review. Several clarifying changes to language were made.

6. **Review draft Implementation Plan.** The drafting team discussed the standard Implementation Plan vs the implementation of the physical security plan required by the standard. Concerns raised at the tech conference were discussed. The drafting team believes they have balanced the urgency required by the standard with the time necessary to complete the reviews/verifications required by the standard. Clarifying changes were made to the Implementation Plan. An action item to develop a diagram was taken by Mark Olson.
7. **Review VRF/VSLs.** Draft VRF/VSL table was reviewed and changes were made to match language in the draft requirements.
8. The drafting team agreed to send documents to quality review on April 4. The drafting team agreed to review documents by email following the results of the Quality Review.
9. **Review action plan and milestones/dates.** The drafting team agreed to review the draft standard, VRF/VSLs, and Implementation Plan as necessary over the weekend to meet a Monday, April 7 deadline for Standards Committee agenda. SC will be asked to authorize posting on April 9. Next SDT meeting was agreed for Apr 28 – May 1 in Atlanta.
10. **Lou Oberski adjourned the meeting at 5 p.m. April 3 2014.**

Attendees

NAME	POSITION	ENTITY
andres lopez	EE	FERC
David Grubbs	Director of Regulatory Affairs and Compliance	City of Garland
Shamai Elstein	Counsel	NERC
Brian Harrell	Director	NERC
Gary Kruempel	Compliance Director Supply	MidAmerican Energy Company
Jim McGlone	Senior Engineer	USDOE
Stephen Pelcher	Deputy General Counsel Nuclear and Regulatory Compliance	Santee Cooper
David Dworzak	Director	Edison Electric Institute
Lou Oberski	Managing Director	Dominion
Regis Binder	Senior Electrical Engineer	FERC
John Brockhan	Director, Policy and Compliance	CenterPoint Energy Houston Electric
Keith Kushner	Director, Security Engineering and Technology	TRC
Allan wick	CSO	Tri-State G & T
Brian Murphy	Manager, Rel Std	NextEra Energy
Mike O'Neil	Director Power Delivery Compliance & Regulatory	FPL
Steven Noess	NERC	NERC
Brenda Hampton	Director, NERC & TRE Affairs	Energy Future Holdings
Ross Johnson	Senior Manager, Security & Contingency Planning	Capital Power
Kathleen Judge	Director, Risk & Compliance , Global Security	National Grid
Robert Rhodes	Manager, Reliability Standards	Southwest Power Pool
John Pespisa	Director	SCE
Manho Yeung	Senior Director, System Planning and Reliability	Pacific Gas and Electric Company
Jen Fiegel	Sr Director Risk Management	Oncor Electric Delivery Company LLC
Matthew Stryker	Engineer, CIP and Cyber Security	Georgia Transmission Consolidated Edison Company of NY
Michele O'Connell	General Manager, Substation Operations	Exelon Corp.
Susan Ivey	VP-Trans. Strategy & Compliance	Oncor Electric Delivery Company LLC
Todd Rosenberger	Manager of Conceptual Design	KCPL
John Breckenridge	Sr.Mgr.-Corp. Security	Duke Energy
Rick Porter	Manager, System Operations	Georgia Power Company
Stephen Bennett	Transmission Support Manager	Utility Services
John Helme	Technical Analyst	FirstEnergy
James Whitley	Exec Director, Corp Security	American Transmission Corp
Paul Roehr		

Sharon Koller
Darren Nielsen
Nick Weber
Felek Abbas

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