

Agenda

Project Management and Oversight Subcommittee Conference Call

February 13, 2019 | 1:00 – 3:00 p.m. Eastern

Dial-in: 1-415-655-0002 | Access Code: 735 026 077 | Meeting Password: 021319

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. **Consent Agenda – Approve** (C. Yeung)
 - a. December 12, 2018 Project Management and Oversight Subcommittee Meeting Minutes*
2. **Prior Action Items – Review** (S. Barfield-McGinnis)
3. **Project Tracking Spreadsheet (PTS) – Review**
 - a. 2015-09 – Establish and Communicate System Operating Limits – **Update** (K. Lanehome)
 - b. 2016-02 – Modifications to CIP Standards – **Update** (K. Lanehome, A. Mayfield, or K. Rosener)
 - i. Directives and Control Center Communication Networks
 - ii. TO Control Centers performing TOP obligations
 - iii. Version 5 TAG, Cyber Asset and BES CA (BCA) definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances – **On Hold**
 - c. 2017-01 – Modifications to BAL-003-1 – **Update** (A. Casuscelli or L. Lynch)
 - d. 2017-03 – Periodic Review of FAC-008-3 Standard – **On hold** (M. Pratt)
 - e. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – **On hold** (C. Yeung)
 - f. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – **On hold** (C. Bellville or A. Casuscelli)
 - g. 2017-07 – Standards Alignment with Registration – **Update** (M. Brytowski)
 - h. 2018-01 – Canadian-specific Revisions to TPL-007-2 – **Update** (C. Yeung)

¹ When joining the web portion, start with the web link first. Once logged in, a dialog box will open with all numbers or an option for WebEx to call your number. More importantly, it will give you your ATTENDEE ID#. Please use that number, if calling in, when prompted to do so. It links your web session to the caller on the phone.

- i. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – **Update** (C. Bellville or A. Casuscelli)
 - j. 2018-03 – Standards Efficiency Review Phase I – **Update & Accept Baseline** (M. Brytowski or M. Pratt)
 - k. 2014-04 – PRC-024-2 and Inverter Based Resources – **Update** (L. Lynch)
- 4. Other**
- a. Next meeting – In-person on March 20 at 8:00 a.m. local in Austin, TX at Austin Energy
 - b. Other
- 5. 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.

Public Announcements

Conference call:

Participants are reminded that this conference call is public. The access number was posted on the NERC website and widely distributed. Speakers on the call should keep in mind that the listening audience may include members of the press and representatives of various governmental authorities, in addition to the expected participation by industry stakeholders.

Meeting Minutes

Project Management and Oversight Subcommittee (PMOS)

December 12, 2018 | 8:00 a.m. – 10:00 a.m. Eastern

Introduction and Chair's Remarks

Chair C. Yeung called the meeting to order at 8:13 a.m. Eastern. The chair provided the subcommittee with opening remarks and welcomed members and guests.¹ The acting secretary those in attendance both in-person and remotely identify themselves. J. Mallory filled in as secretary due to S. Barfield-McGinnis being remote during the in-person meeting. Those in attendance included:

Members: Charles Yeung (PMOS chair), Michael Brytowski (PMOS vice chair), Colby Bellville, Amy Casuscelli, Sean Cavote, Brenda Hampton, Ken Lanehome, Linda Lynch, Ash Mayfield, Mark Pratt, and Kirk Rosener.

Observers: John Allen, Scott Barfield-McGinnis, Rachel Coyne, Kent Feliks, Jennifer Flandermeyer, Jordan Mallory (secretary), Quinn Morrison, and Mike Steckelberg.

NERC Antitrust Compliance Guidelines and Public Announcement

NERC Antitrust Compliance Guidelines and Public Announcement were presented and reviewed by the secretary. The secretary noted the full antitrust guidelines and public announcement were provided in the agenda package to each member via email and posted on the PMOS webpage. There were no questions.

Agenda Items

1. Review of Agenda

C. Yeung reviewed the agenda with members and attendees.

2. Consent Agenda

M. Pratt motioned to approve the agenda and the October 31 2018 Meeting Notes. Both were approved by unanimous consent.

3. Review of Prior Action Items

S. Barfield-McGinnis reported on the following action items from the October 31, 2018 in-person meeting:

- a. place Project 2015-10 to be archived on the December 2018 PMOS Agenda (Complete);
- b. create a 2017-01(b) project tab in the PTS to track Phase II of BAL-003 (On hold);

¹ The PMOS is composed of industry stakeholders where the chair or vice chair must be a member of the Standards Committee (SC) and the SC leadership are non-voting members of the PMOS.

- c. monitor Project 2018-02 for the potential to have a third abbreviated posting to meet the regulatory deadline (on going);
- d. add newly appointed member Sean Cavote to the main PMOS distribution list (Complete); and
- e. prepare the 2019 PMOS Roster for review at the December meeting (Complete).

4. Project Tracking Spreadsheet (PTS) and Project Review

- a. 2015-09 – Establish and Communicate System Operating Limits (SOL) – K. Lanehome reported the FAC-011, -014 and CIP-002 failed ballot. The schedule will be updated at the January meeting and expectations are to have an additional posting by March 2019.
- b. 2015-10 – Single Points of Failure (SPOF) TPL-001 – (Archive) The NERC BOT adopted the standard on November 7, 2018 and it was filed with regulatory authorities on December 7, 2018. The project will be archived as of this meeting.
- c. 2016-02 – Modifications to Critical Infrastructure Protection (CIP) Standards – K. Rosener reported CIP-012-1 & Control Center definition (2016-02b) has been filed for regulatory authorities. Regarding CIP-002-5.1a (2016-02c) the standard drafting team (SDT) is currently reviewing comments for the period that closed October 9, 2018. A new schedule will be determined after review of comments. Version 5 TAG, Cyber Asset (CA) and Bulk Electric System Cyber Asset (BCA) definitions, Network and Externally Accessible Devices (ESP, ERC, IRA), Virtualization, and CIP Exceptional Circumstances (2016-02d) SDT has worked on an informal posting of draft CIP-005, CIP-007, CIP-010 and supporting definitions and anticipate an informal posting November 2, 2018 and webinar on November 15, 2018.

Standard CIP-003-8 (2016-02e) Malicious Code (FERC Order #843 Malicious Code Example Directive) A. Mayfield motioned to accept the baseline as presented. The PMOS unanimously accepted the schedule baseline.

- d. 2017-01 – Project 2017-01 Modifications to BAL-003-1.1 – A. Casuscelli reported that the Phase I posting for comment began on December 4, 2018. A webinar is scheduled for December 18, 2018. The project is on schedule with the goal to finish Phase I and have it presented to the Board in May 2019. Team was split on whether developing requirements applicable to additional registrations, such as Generator Owner and/or Generator Operator is necessary. A baseline schedule will be developed during the January 29-30, 2019 meeting.
- e. 2017-03 – Periodic Review of FAC-008-3 Standard – M. Pratt reported the project is on hold pending the outcome of the SER project.
- f. 2017-04 – Periodic Review of Interchange Scheduling and Coordination Standards – C. Yeung reported the project is on hold pending the outcome of the SER project.
- g. 2017-05 – Project 2017-05 NUC-001-3 Periodic Review – C. Bellville reported the project is on hold pending the outcome of the SER project. The standard is acceptable based on the work of the team.

- h. 2017-07 – Standards Alignment with Registration – M. Brytowski reported the project remains on hold.

2018-01 – Canadian-specific Revisions to TPL-007-2 – C. Yeung reported the ballot closed on November 15, 2018 and passed at 100%. The standard will be presented to the NERC Board in February 2019. Exceeded schedule expectations since the revisions passed on the initial ballot.

- i. 2018-02 – Modifications to CIP-008 Cyber Security Incident Reporting – C. Bellville reported that CIP-008-6 was posted for a 15-day formal comment and ballot period ending on November 29, 2018 and received 75.81% approval. The SDT will meet in December and anticipate posting for final ballot 2nd week of January.
- j. 2018-03 – Modifications to CIP-008 Cyber Security Incident Reporting – C. Bellville reported the team held a kickoff call on November 6, 2018 and face-to-face meeting in Atlanta November 26-27, 2018. The SDT plans to present the SAR to the SC for approval in January 2019. The baseline project schedule to be developed following SAR approval.

5. Other

- a. K. Rosenberg motioned to recommend C. Yeung and M. Brytowski as the chair and vice chair, respectively. The motion passed unanimously.
- b. The 2019 PMOS Roster was reviewed, no changes.
- c. No project assignments were made.
- d. The chair will circulate potential dates for 2019 conference calls, including the call following this meeting.

6. Action Items

- a. S. Barfield-McGinnis:
 - i. to archive Project 2015-10;
 - ii. to determine if sending the CIP-002 issue to the IROL team was helpful;
 - iii. fix the Project 2006-02d formatting on the home page; and
 - iv. work with leadership to propose dates for conference calls.

7. Adjournment

- C. Yeung adjourned the meeting at 9:58 a.m. Eastern by consent.