

Minutes

Standards Oversight and Technology Committee

February 11, 2015 | 10:00 a.m. – 11:00 a.m. Pacific

The Westin San Diego
400 W. Broadway
San Diego, CA 92101

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 Directors of the North American Electric Reliability Corporation (“NERC”) on February 11, 2015, at 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:

Kenneth G. Peterson, Chair
Paul F. Barber
Frederick W. Gorbet
David Goulding
Douglas Jaeger
Bruce A. Scherr

Board of Trustee Members:

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

NERC Staff:

Valerie Agnew, Director of Standards
Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Thomas Burgess, Vice President and Director of Reliability Assessment and Performance
Stan Hoptroff, Vice President and Chief Technology Officer
Mark G. Lauby, Senior Vice President and Chief Reliability Officer
Steven Noess, Director of Compliance Assurance
Janet Sena, Senior Vice President and Director Policy and External Affairs
Brady Walker, Associate Counsel
Michael Walker, Senior Vice President, Chief Financial and Administrative Officer, and Corporate Treasurer
Andrew Wills, Associate Counsel

Other:

Brian Murphy, Chair, Standards Committee

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 may be directed to Mr. Berardesco.

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Upon motion duly made and seconded, the Committee approved the minutes of the November 12, 2014 meeting as presented to the Committee at the meeting.

Standards Oversight and Technology Committee Self-Assessment Results

Mr. Peterson reviewed the Committee's Self-Assessment results for 2014, noting the results were positive overall, and that areas identified for improvement would be a focus in the coming year.

ERO Enterprise IT Application Strategy

Mr. Hoptroff provided an update on the ERO Enterprise IT Application Strategy. He reviewed the status of development and implementation of several programs, including the standards balloting application, the NERC Microsoft host platform, the reliability assessment data system, the events analysis application for the Microsoft host platform, the ES-ISAC portal, the CRISP program, and the CMEP tools.

Mr. Hoptroff noted that NERC plans to continue to monitor the development of new technologies as a way to improve business processes, and he said that NERC IT would continue to work with the ERO Enterprise Technology Leadership Team to determine necessary resources, taking into account current business processes and available financial resources.

Standards Committee Elections

Mr. Peterson noted the recent resignation of Scott Miller as Vice Chair of the Standards Committee and thanked Mr. Miller for his service. He reported that Fred Plett of the Massachusetts Attorney General's Office has been elected Vice Chair of the Standards Committee.

Reliability Standards Quarterly Status Report and Standards Committee Report

Mr. Murphy noted the progress that NERC is making towards achieving "steady state" Reliability Standards. He highlighted the work of the drafting teams and the ongoing theme of industry inclusion that is evident in the efforts of the teams.

Mr. Noess, along with Mr. Murphy, updated the Committee on the progress of the Critical Infrastructure Protection Reliability Standard Version 5 ("CIP Version 5") transition and related processes, and discussed the drafting of the CIP Version 5 Reliability Standard Audit Worksheet, which has been in development in connection with the revisions to CIP Version 5.

Ms. Agnew reviewed the efforts of industry participants and the NERC standards department in 2014, highlighting the significant progress made in addressing directives issued by the Federal Energy Regulatory Commission (the "Commission"), and provided an update on the status of current projects in development and pending at the Commission.

Ms. Agnew noted that as the standards development process moves toward "steady state", NERC and the industry have the opportunity to continuously review the standards through processes and channels such as the Independent Expert Review Panel ("IERP"). She reviewed the standards that were recommended for modification or retirement as a result of the recommendations of the IERP, including 147 requirements that were recommended for retirement and another 25 that were recommended for

modification. Ms. Agnew stated that these recommendations are considered by standard drafting teams as appropriate to determine whether the retirement or modification is necessary.

Ms. Agnew also stated that NERC has made an effort to develop and communicate criteria for what constitutes an effective, enforceable Reliability Standard. Specifically, she highlighted the Ten Benchmarks guidance document as well as other resources available to standard drafting teams. She noted that in the development of the IERP template, the Standard Committee organized an oversight team to provide guidance to the standard drafting teams related to the drafting of quality standards.

In response to a stakeholder request for a chart indicating regulatory approval status for each project, Ms. Agnew stated that she would include that information in future reports.

Ms. Agnew reiterated NERC's commitment to continued collaboration with Canadian entities in the development of all current and future projects.

Adjournment

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

Submitted by,



Charles A. Berardesco
Secretary