

Minutes Standards Oversight and Technology Committee

August 3, 2017 | 2:00–3:00 p.m. Eastern

Conference Call

Mr. Kenneth W. DeFontes, Jr., Acting 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 August 3, 2017, at 2:00 p.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Members

Kenneth W. DeFontes, Jr., Acting Chair
Frederick W. Gorbet
David Goulding
George S. Hawkins
Roy Thilly

Board Members

Gerry W. Cauley, President and Chief Executive Officer
Robert G. Clarke
Jan Schori

NERC Staff

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Associate Director
Howard Gugel, Senior Director of Standards
Stan Hoptroff, Vice President, Chief Technology Officer, and Director of Information Technology
Mark Lauby, Senior Vice President and Chief Reliability Officer
Steven Noess, Director of Standards Development
Andy Rodriguez, Director, Business Process Improvements
Michael Walker, Senior Vice President and Chief Financial and Strategic Development Officer

Acting Chair’s Remarks

Mr. DeFontes noted that due to two recent Trustee resignations, the Committee required a new chair, and that Mr. Thilly had asked him to chair this meeting.

NERC Antitrust Compliance Guidelines

Mr. DeFontes 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 May 10, 2017 meeting as presented at the meeting.

Registered Entities and ERO Enterprise IT Applications

Mr. Hoptroff provided an overview of the ERO Enterprise IT projects that were focused on registered entity interactions as well as the ERO Enterprise, referencing the detailed materials that had been included in the advance agenda package. With respect to the CMEP Technology program, he reviewed key goals and constraints and preliminary benefits (including real time access to information, improved analytics, and reduced application support costs). Mr. Hoptroff reviewed options considered by management, noting of the three, one was likely to be more costly than the recommended option. He noted that all of the Regional Entity chief executives support the project, which will be critical in enabling greater consistency across the ERO Enterprise. Mr. Hoptroff reviewed upcoming activity, including the issuance of an RFP, further analysis, and presentations to Board committees and the Board prior to commencement of the project. He reviewed the projected financials for the project, noting that benefits should exceed costs by 2021. Mr. Hoptroff reviewed the project management and risk mitigation approaches that will be undertaken by management. In the Committee discussion, it was noted that dedication of staff to the project will be critical for success.

Mr. Hoptroff also reviewed other projects, including entity registration, the misoperations portal, an upgrade of the NERC website and the E-ISAC portal project.

Cyber Security Supply Chain Risk Management Standard

Mr. Gugel provided an update on the development of the cyber security supply chain standard, noting that the standard would be submitted for Board approval in August, and further detail on the standard and related activities would be provided at the upcoming MRC meeting. He noted that the proposed standard does not address low risk assets, and that NERC would be focused on developing additional resources for consideration of such assets. Mr. Gugel reviewed the MRC policy input related to the standard and the preliminary implementation plan. The Committee requested a high level summary of the standard and the implementation plan.

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. He reviewed the status of FERC standards-related directives and the schedule for the upcoming submission of standards to the Board. Mr. Gugel summarized the Standards Committee report, including the schedule for development and submission of the Reliability Standards Development Plan. He also reviewed the status of the project to address Guidance and Technical Basis, and the information relating to the number of actual requirements in reliability standards.

Adjournment

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

Submitted by,

A handwritten signature in black ink, appearing to read 'Charles A. Berardesco', written in a cursive style.

Charles A. Berardesco
Corporate Secretary

Agenda

Standards Oversight and Technology Committee

August 3, 2017 | 2:00-3:00 p.m. Eastern
Conference Call

Dial-in: 1-888-352-6803 | Conference Code: 1387509
WEBEX: www.readytalk.com | Code: 4469686 | Click Join

Call to Order

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda Items

1. Minutes* — Approve
 - a. May 10, 2017 Meeting
2. Registered Entities and ERO Enterprise IT Applications* — Update
3. CIP-013-1 – Cyber Security - Supply Chain Risk Management* — Update
4. Reliability Standards Quarterly Status Report* — Review
5. Adjournment

*Background materials included.