

CSO706 SDT FULL TEAM CONFERENCE CALL SUMMARY

September 15, 2010

10:00 a.m. - 12:00 p.m. EDT

Adopted by the SDT on October 14, 2010

Following roll call and a review of the anti-trust guidelines, the Chair reviewed the objectives and agenda for the call. When a quorum of at least 17 members was achieved, NERC Standards Committee Chair Allen Mosher addressed the SDT thanking them for their continuing efforts. He expressed appreciation for their sense of humor indicating he understood their frustration in doing this difficult job. He asked them to do the right thing for reliability of the BES while keeping in mind the different visions on what that is and the broader policy context of the CIP. He acknowledged the challenge for companies in the industry to address these high impact/low frequency events. He reminded members that CIP was different from other standards and was viewed through a different lens, noting both the significant external pressures felt within the industry and beyond as well as the heightened attention to the reality of being probed daily on cyber security threats.

Howard Gugel, NERC reported that there were no NERC staff edits of the CIP 002-4 that was adopted by the Team in Winnipeg. He mentioned that he had deleted one of the measures from the old requirement.

John Lim opened the SDT discussion on the possibility of adding a new criterion to CIP 002-4 Attachment 1 to include all nuclear generation facilities. He noted that in Winnipeg the Team agreed that members would discuss and receive input from their senior management in light of the EEI CEOs meeting of last week.

After extended discussion of a proposal for adding a new Attachment 1 criterion addressing nuclear generation and potential related changes for CIP 002-4 in the applicability and requirements sections, a motion was made by John Lim to test support for the following change to the Applicability Section, 4.2.1 failed to get a second:

4.2.1 Proposal: ~~All BES facilities under NERC jurisdiction those~~ Structures, components, equipment and systems ~~of facilities~~ within a nuclear generation plant ~~not~~ regulated by the U.S. Nuclear Regulatory Commission or the Canadian Nuclear Safety Commission.

Jim Brenton then made a motion that the following new criterion be included in Attachment 1, with Dave Norton seconding the motion with the friendly amendment substituting facility for unit:

1.1. "Each nuclear generation ~~facility~~ unit."

There was discussion following the motion and Jim Brenton and Dave Norton agreed that if the motion passed to include a new 1.1, there would be conforming changes to 1.2 and in 4.2 to reinstate the exclusion and make the following change in R2:

- 1.1. Each group of generating units (~~excluding~~ ~~including~~ nuclear generation) at a single plant location with an aggregate highest rated net Real Power capability of the preceding 12 months equal to or exceeding 1500 MW.
- “R2. Critical Cyber Asset Identification — Using the list of Critical Assets developed pursuant to Requirement R1, the Responsible Entity shall develop a list of associated Critical Cyber Assets essential to the operation of the Critical Asset. For each group of generating units (~~including nuclear generation~~) at a single plant location identified in Attachment 1, criterion 1.4-2, the only Cyber Assets that must be considered are those shared Cyber Assets that could adversely impact the reliable operation of any combination of units that in aggregate exceed Attachment 1, criterion 1.4-2 within 15 minutes. The Responsible Entity shall review this list at least annually, and update it as necessary.”

Some members offered concerns that this language had not been reviewed in advance and vetted in terms of possible impacts or unintended consequences; that with the changes in Winnipeg the current R1.2 brings in many more nuclear facilities (e.g. all Duke’s nuclear generation will come in as critical assets); why nuclear as a fuel is treated differently for reliability than other types of fuel (hydro, coal, etc) and that safety systems are regulated by other regulatory bodies (e.g. NRC); that inclusion of this criteria is purely an optic for criticality which establishes a bad precedent and is indefensible in terms of reliability; the possible impact of the changes on 1.11; that the SDT hasn’t excluded nuclear and is covered in new last criterion added in Winnipeg; concern that the “unit” term take us to safety systems and possibly puts them in double jeopardy; this was excluded in Pittsburgh in order to avoid the FERC and NRC issue.

The chair called for a vote on the motion, noting there was a quorum present and that it would require at least 13 of the 19 members present support to pass with 2/3’s support of the SDT:

- **In support of the motion= 9 members = 47%**
- **Opposed to the motion=10 members**

Following the vote there was discussion as to whether there was anything short of removing the criteria that might move those voting no to vote yes. Some members noted their reasons for not supporting the motion that included: the current 1.1 at 1500 MW and other changes in the criteria made in Winnipeg were sufficient; there needs to be a reliability basis for including nuclear generation; concern about the confusion in terms of NRC jurisdiction; better to submit the draft from Winnipeg to the industry and see what happens in balloting process; considering this a the last minute without the ability to sort out possible unintended consequences.

The Chair noted that based on this vote, the CIP 002-4 that had been approved by the SDT in Winnipeg would be posted for the 45 day formal comment period.

The Team agreed to post the Reference (formerly the Guidance) Document that had been revised and circulated to the Team on September 13 based on the Winnipeg input. Members editorial redline comments on the document would be considered following the review of the Industry comments and first ballot. Since the Summary Industry Response document for the relevant sections of Attachment 2, CIP-010 was not ready it would not be posted with CIP 002-4.

The Team briefly reviewed the preparation for the September 29 webinar and the meeting adjourned at 12:00 p.m.

Appendix #1 Agenda

CSO706 SDT Full Team Conference Call

September 15, 2010

10:00 a.m.- 12:00 p.m. EST

Objectives

- To review and consider acceptance of any NERC staff edits to CIP 002-4
- To review and consider adoption for a new Attachment #1 criterion on nuclear generation facilities
- To review and adopt the Reference Document for posting with CIP 002-4
- To review and adopt the Summary Response to relevant parts of Attachment 2, CIP 010 for posting with CIP 002-4; and
- To review next steps including the September 29 Webinar.

Draft Agenda

The agenda for today's conference call includes:

- Roll Call, Quorum Test (17 SDT members) and Objectives and Agenda Review
- Anti-Trust Guidelines
- Review of the CIP 002-4 Posting Schedule
- Review of CIP 002-4 NERC Staff Edits
- Discussion and Possible Motion to Add to Attachment #1 a new Criterion designating as Critical Assets all nuclear generation Facilities
- Review and Adopt the Reference Document for CIP-002-4 (*John Lim*)
- Review and Adopt Summary Response for Attachment 2, CIP-010 (*Jackie Collett*)
- Review of the September 29 Webinar on CIP 002-4
- Next Steps and Assignments

Appendix #2 Participant List
SEPTEMBER 15, 2010 SDT CONFERENCE CALL, 10 A.M- 11 P.M. EST

SDT Members Participating

1. Rob Antonishen	Ontario Power Generation
2. Jim Brenton	ERCOT
3. Jackie Collett	Manitoba Hydro
4. Jay S. Cribb	Southern Company Services
5. Joe Doetzl	Kansas City Pwr. & Light Co
6. Sharon Edwards	Duke Energy
7. Gerald S. Freese	America Electric Pwr.
8. William Gross	Nuclear Energy Institute
9. Jeff Hoffman	U.S. Bureau of Reclamation, Denver
10. Phillip Huff, Vice Chair	Arkansas Electric Coop Corporation
11. Doug Johnson	Exelon Corporation – Commonwealth Edison
12. John Lim, Chair	Consolidated Edison Co. NY
13. David Norton	Entergy
14. Kevin Sherlin	Sacramento Municipal Utility District
15. Tom Stevenson	Constellation
16. Keith Stouffer	National Institute of Standards & Technology
17. Scott Rosenberger	Luminant Energy
18. John D. Varnell	Technology Director, Tenaska Power Services Co.
19. William Winters	Arizona Public Service, Inc.

Members Unable to Participate

<i>Rich Kinias</i>	<i>Orlando Utilities Commission</i>
<i>Patricio Leon</i>	<i>Southern California Edison</i>
<i>David S. Revill</i>	<i>Georgia Transmission Corporation</i>
<i>Jonathan Stanford</i>	<i>Bonneville Power Administration</i>
<i>Brad Yates</i>	
<i>John Van Boxtel</i>	<i>WECC</i>

<i>Scott Mix</i>	<i>NERC</i>
<i>Howard Gugel</i>	<i>NERC</i>
<i>Joe Bucciero</i>	<i>NERC/Bucciero Consulting, LLC</i>
<i>Robert Jones</i>	<i>FSU/FCRC Consensus Center</i>
<i>Stuart Langton</i>	<i>FSU/FCRC Consensus Center</i>

Ready Talk Participants (other than members)

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