

## Meeting Notes Project 2008-06 Cyber Security Order 706

January 24-26, 2012 | 8:00 a.m. to 6:00 p.m. CT

Taylor, TX

### Administrative

#### 1. Introductions

The Chair brought the meeting to order at 8:00 a.m. on Tuesday, January 24, 2012 at the offices of ERCOT's Taylor Operations Center in Taylor, TX. Meeting participants were:

Members		
Rob Antonishen, Ontario Power	Rene Bourassa, Hydro-Quebec	Jay Cribb, Southern Company
Sharon Edwards, Duke Energy	Jerry Freese, AEP	Christine Hasha, ERCOT
Philip Huff, Vice Chair, AECC	Doug Johnson, ComEd	John Lim, Chair, Con. Edison
Scott Mix, NERC	Steven Noess, NERC Advisor	Robert Lloyd, SCE
David Revill, Georgia Transmission	Kevin Sherlin, SMUD	Thomas Stevenson, Constellation
John Varnell, Tenaska	William Winters, APS	
Observers		
Tom Alrich, Honeywell	Janardan Amin, Luminant	Jan Bargaen, FERC
Joseph Baxter, Barns and McDonnell	Tec Bechtel, US Bureau of Reclamation	Matt Blizzard, NERC
Jim Brenton, ERCOT	Bryan Carr, PacifiCorp	David Dockery, AECI
Joe Doetzi, CRSI	James Fletcher, AEP	William Fletcher, WECC
John Fridye, Ventyx-ABB	Howard Gugel, NERC	Karl Janice, EEI
Annette Johnston, MidAmerican Energy	Beth Lemke, Wisconsin Public Service	Maureen Long, NERC
Guillermo Macias, Texas RE	Jason Marshall, ACES Power	Douglas Maxham, Luminant
Brian Newell, AEP	Barbara Nutter, NERC	Neil Phinney, GSOC

Clyde Poole, TDi Technologies	Tony Rodrigues, PacifiCorp	Eduardo Santiago, Southern Co.
Amelia Sawyer, CenterPoint Energy	Greg Sims, Southern Company	Scott Stubbs, Oncor
Rick Terrill, Luminant	Cyrus Tibbs, SCE	Judy VanDeWoestyne, MidAmerican Energy

**2. Determination of Quorum**

The rule for NERC Standard Drafting Team (SDT) states that a quorum requires two-thirds of the voting members of the SDT are present. Quorum was achieved as 15 of 17 total members were in attendance.

**3. NERC Antitrust Compliance Guidelines and Public Announcement**

The NERC Antitrust Compliance Guidelines and public announcement were delivered.

**4. Review Current Team Roster**

There were no roster changes or updates.

**5. Review Meeting Agenda and Objectives**

No changes were made to the agenda. The objectives of this meeting were to modify standards in small group settings in response to industry comments and identify significant unresolved issues.

**Notes**

**1. Approval of Notes from Previous Meetings**

On January 26, 2012, the team approved the meeting notes from the October 25-27, 2011 meeting.

**2. Update on Ballot Results and Process Toward Successive Ballot**

The team reviewed the ballot results from the initial ballot of the draft Version 5 CIP Cyber Security Standards that ended on January 6, 2012, and discussed strategy for making revisions in response to comments received during the comment period.

The team will continue to make revisions to the standards and complete work on responding to comments in order to submit the Version 5 CIP Cyber Security Standards to NERC for quality review following the February 21-24, 2012, face-to-face SDT meeting.

**3. Major Issues and Proposed Resolutions**

Each of the sub-groups provided a status report to the full SDT on the progress of responding to their assigned comment response questions and proposed changes to the standards. During day two of the face-to-face meeting, the sub-groups met individually to continue work on developing proposals for the individual standards to present to the full team during the February 10, 2012 call.

Among several issues identified during this meeting for continued team discussion include, but is not limited to:

- a. Concern by commenters between the use of “must” versus “may” in the measures. The SDT proposes measures that provide non-inclusive lists of high quality evidence that satisfy the requirements. In response to commenters on this issue, the SDT plans to issue a response similar to the following: “The team tried to make a distinction by using the word, ‘must’ for instances where the Responsible Entity ‘must’ have something as evidence – variations are not expected to be acceptable. This would be the case for a requirement that says the Responsible Entity ‘shall’ have a documented procedure – the entity must have that procedure to demonstrate compliance. Where the requirement says the Responsible Entity shall implement a documented procedure, then that entity must have the procedure – but since there are typically many ways of demonstrating ‘how’ an entity has implemented a procedure, the word, ‘may’ has been used ahead of samples of performance that may be acceptable.”
- b. Flexibility versus clarity in the requirement language. In several instances, the SDT attempted in its posted draft of the standards to provide flexibility to the industry by prescribing the desired results-based outcome without requiring a particular approach. The comments in response to these approaches asked for more detail. In consideration of those comments, the SDT determined that it must balance flexibility in the requirement language with more clarity and detail, and in some cases, more prescriptive requirements.
- c. References to “demonstrations” in the measures should be replaced with “documentation”.
- d. All instances of periodic requirements in the standards that indicate that something must occur “initially upon the effective date” of the standard should be moved to the implementation plan. The implementation plan should then clarify when the first iteration of each periodic requirement should occur if it is not appropriate for the first iteration to occur at the same time as the effective date of the rest of the standards. This will make it clearer to industry and remove the “initially upon the effective date” language from the text of the standards so that the standards do not have language that is only relevant on a single date.
- e. The SDT should confirm use of CIP Senior Manager throughout the standards to ensure that it also allows for “delegate” approval where appropriate, and that that level of authorization for a particular activity is intended.
- f. CIP Exceptional Circumstance: The team determined that more discussion is needed on how to address globally the concept of CIP Exceptional Circumstances, and whether it should be used on a by-requirement basis, in the implementation plan, or as part of each standard.
- g. Defined Physical Boundary versus Physical Security Perimeter. The team will need to determine whether it retains the new term “Defined Physical Boundary,” or whether it maintains “Physical Security Perimeter” and modifies the definition.

- h. Several changes were proposed to definitions, to include BES Cyber Asset, BES Cyber System, Electronic Security Perimeter, BES Cyber System Information, and others. A significant proposal includes removal of the definition of BES Reliability Operating Services, as commenters indicated confusion and dissatisfaction with the approach. Instead, “BES Cyber Asset” may instead include reference to “reliable operation of the Bulk Electric System”; note, however, that the definitions are under development, and any approach from this meeting may change as the drafting team continues work toward preparing a draft for successive ballot.
- i. In discussing possible revisions to CIP-002, Attachment 1, in response to industry feedback, the drafting team discussed whether applying the majority of the CIP requirements to Blackstart Resources would have an unintended consequence of reducing the number of generating units functioning as Blackstart Resources, and whether such removal would impact grid reliability. Several commenters and participants in drafting team discussions assert that application of the CIP Cyber Security standards to Blackstart Resources, and the associated compliance costs and risks, will result in removal of Blackstart Resources. The sub-group working on CIP-002 agreed that it would ask the NERC Operating Committee (OC) and the NERC Planning Committee (PC) for input on whether removal of Blackstart Resources due to implementation of CIP Version 5 would negatively impact reliability. Rick Terrill of Luminant Energy, an observer at the drafting team meeting, agreed to provide a discussion paper to the drafting team on the issue. The drafting team will forward that paper, along with their perspective, to the NERC OC and PC with the drafting team’s request for input.

#### 4. **Action Items and Next Steps**

Sub-group leaders will forward their proposed changes to the standards to Steven Noess no later than Friday, February 10, 2012.

#### 5. **Future Meeting(s)**

The next face-to-face meeting will be Tuesday, February 21, 2012, at 8:00 a.m. MT through Friday, February 24, 2012, at 12:00 p.m. MT at the Arizona Public Service facilities in Phoenix, AZ. Details will follow. The host of the meeting has informed the SDT that only SDT members will be given access to wi-fi or wired internet capabilities during this meeting.

#### 6. **Adjourn**

The Chair thanked ERCOT for their hospitality and adjourned the meeting at 12:30 p.m. CT on Thursday, January 26, 2012. The sub-groups continued small sessions following the meeting until 5:00 p.m. CT.