

Meeting Notes

Project 2008-06 Cyber Security Order 706 Standard Drafting Team

July 10-12, 2012
Maple Grove, MN

Administrative

1. Introductions and Chair's Remarks

The acting chair brought the meeting to order at 8:00 a.m. CT on Tuesday, July 10, 2012 at Great River Energy (GRE) Headquarters facilities. Meeting participants were:

Members		
Rob Antonishen, Ontario Power	Rene Bourassa, Hydro Quebec (via teleconference)	Sharon Edwards, Duke Energy
Jerry Freese, AEP	Christine Hasha, ERCOT	Philip Huff, Vice Chair, AECC
Doug Johnson, ComEd	Richard Kinast, OUCI	Robert Lloyd, SCE
Scott Mix, NERC	Steven Noess, NERC Advisor	Kevin Sherlin, SMUD
David Revill, GA Transmission	Thomas Stevenson, Constellation	John Varnell, Tenaska Power Services
William Winters, APS		

Observers		
Tom Alrich, Honeywell	Joe Bucciero, EnerNex	Richard Burt, MRO
David Dockery, AECl	James Fletcher, AEP	Annette Johnston, MidAmerican
Michael Keene, FERC	Collin Martin, Oncor	Jeremy Morgan, Progress Energy
Sharon Koller, Alliant Energy	Dan McAuley, Southern Company	Brian Newell, AEP
Eduardo Santiago, Southern Company	Cade Simmons, MidAmerican	Josh Smith, Southern Company
Jennifer White, Alliant Energy		

2. Determination of Quorum

The rule for NERC Standard Drafting Team (the team or SDT) states that a quorum requires two-thirds of the voting members of the SDT. Quorum was achieved as 15 of 16 total members were present.

3. NERC Antitrust Compliance Guidelines and Public Announcement

The NERC Antitrust Compliance Guidelines and public announcement were delivered.

4. Review Team Roster

The Standards Committee approved the removal of one member from the drafting team on May 24, 2012, as the member changed roles and is no longer able to participate actively in the drafting team's activities. An updated team roster has been posted to the team's project page.

5. Review Meeting Agenda and Objectives

No changes were made to the meeting agenda or objectives. The meeting objectives were to continue review of industry comments, finalize approach to significant unresolved issues, and prepare changes to the standards in response.

Agenda Items

1. Approval of Notes from Previous Meetings

2. Update on Ballot Results and Process Toward Successive Ballot

The team reviewed the plan to prepare another draft for successive ballot, to be posted in August or September 2012. The team re-acknowledged that it will need to complete a successive ballot and recirculation ballot before the end of 2012 in order to meet the deadline for filing Version 5 imposed by FERC Order No. 761. Furthermore, the team sought from the Standards Committee deferral of Violation Severity Levels (VSLs) for non-binding poll, and the Standards Committee approved deferral of posting VSLs for non-binding poll until the recirculation ballot. The SDT also reviewed progress in finalizing comment response summaries for each of the set of questions submitted during the formal comment period that ended in May 2012. Each member assigned to a question indicated that he or she was on track to finish the comment responses before the beginning of the August 2012 face-to-face SDT meeting.

3. Major Issues and Actions

The focus of the meeting was to continue improving and modifying the standards in response to industry input from formal comments. The SDT made several changes at its June 2012 in direct response to comments, and this meeting focused on several remaining issues, many of which applied broadly across more than one standard. The team met in plenary session for the duration of the meeting, and it focused on those standards that had less focus during June's meeting.

Namely, CIP-003-5, CIP-008-5, CIP-009-5, CIP-010-1, and CIP-011-1. Among several issues identified or resolved during these meetings include, but are not limited to:

- a. The SDT discussed with NERC's director of compliance operations the direction NERC is moving with respect to compliance monitoring. The discussion included presentation of the broader ERO directions to incorporate risk-informed approaches.
- b. In addition to the compliance monitoring discussion, the SDT discussed incorporating a self-correcting component within several requirements. As part of its obligation under FERC Order No. 706, the SDT has an obligation to consider applicable features of the NIST Risk Management Framework. Thus, Version 5 has incorporated the "Assess" and "Monitor" processes of the NIST Risk Management Framework in the development of the requirements and enabled these processes through additional language for identifying, assessing, and correcting deficiencies in controls. The SDT has incorporated within CIP Version 5 a recognition that certain requirements should not focus on individual instances of failure as a sole basis for determining a violation of the standard. In particular, the SDT has incorporated an approach to empower and enable the industry to identify, assess, and correct deficiencies in the implementation of certain requirements. The intent is to change the basis of a violation in those requirements so that they are not focused on *whether* there is a deficiency, but on identifying, assessing, and correcting deficiencies. Note that, where used, the addition of language modifies "implement"; it does not itself require or specify internal controls, though it certainly enables their use for those entities that have adopted an internal controls approach. Where used, the requirements incorporate the forward-looking language into the main requirement, which ties in with CIP Version 5's use of accompanying tables. It is presented in those requirements as follows: "Each Responsible Entity shall implement, **in a manner that identifies, assesses, and corrects deficiencies**, one or more documented processes (or program, etc., as specified by the requirement) that collectively include each of the applicable items in [the referenced table]."
- c. The team continued to review generally Order No. 761 guidance and its implications on the drafting team's work.
- d. As part of the movement to incorporate a self-correcting aspect into the requirements, the SDT also discussed the importance of synchronizing those concepts within other supporting documents, such as Reliability Standard Audit Worksheets (RSAWs) and the VSLs. The SDT will work with NERC to provide input into the RSAWs so that an example RSAW can be posted for comment alongside the next posting of the standards.
- e. The SDT reviewed the decisions for global changes, which are included in the June 2012 meeting summary, and reviewed and confirmed those changes in the standards.

- f. Synchronize all measures to reflect the approach that measures are non-exhaustive lists of examples. To accomplish this, the SDT added the “Examples of” concept to precede “evidence includes, but is not limited to, . . .”
- g. In CIP-004-5, the SDT discussed some questions regarding the PRA process. Specifically, some commenters were concerned that a PRA would be required for a change in role, and the SDT clarified that its intent is for the entity’s process to determine what is appropriate and that the standard should be clear that a PRA should not be any older than 7 years, not that it must be conducted for each new role. To provide clarity, the SDT does not distinguish between a first time or renewal PRA, and as written, a PRA that is no older than 7 years is a condition for access. As a condition of access, it must have been conducted either prior to granting such access or prior to renewing such access.
- h. The SDT also clarified the identity verification requirement by specifying that the entity should have a process to verify identity, but the SDT does not prescribe how.
- i. The SDT discussed but did not make a final determination on the MW threshold for Balancing Authorities (BAs). An observer in attendance provided the SDT with information and a summary of the 22 commenters that discussed this issue in the comments for draft 2. The SDT discussed the topic and seemed to agree that, in general, even if a BA goes down, there would still be voltage at the actual generators.
- j. The SDT also finalized several other changes for clarity, style, and grammar.

4. Action Items and Next Steps

- a. Team members were reminded of responsibility for completing summaries for individual questions from the comment forms. Summaries must be completed before the end of July 2012.
- b. Participate in all topic-specific SDT interim calls.

5. Future Meeting(s)

- a. August 14-16, 2012 (AEP in Columbus, OH).
- b. September 11-13, 2012 (to be determined).

6. Adjourn

The meeting was adjourned at 4:00 p.m. CT on July 12, 2012. The chair thanked GRE for use of its facilities and thanked the members for a productive session.