AGENDA

8:00 a.m. – 3:00 p.m.

1. Call to Order/Introductions ................................................................. John Meyer

2. Antitrust Guidelines ............................................................................ Emily Pennel

3. Approval of Meeting Minutes – July 29, 2014 .................................. John Meyer

   Chairman John Meyer called the meeting to order at 8:04 a.m. Emily Pennel reviewed the
   Antitrust Guidelines. John Meyer noted an incorrect date in the previous meeting minutes,
   which will be corrected. The Trustees unanimously approved the July 29, 2014, minutes.

4. Winter Reliability Assessment Overview ............................................. Lanny Nickell

   The 2014/2015 Winter Reliability Assessment shows a projected Total Internal Demand
   (coincident) of 35,265 MW. The actual 2013/2014 winter peak demand was 37,106 MW.
   Existing Certain Capacity resources are 64,179 MW. About 377 miles of transmission are
   expected to be added during the assessment time frame. Reserve margins are adequate;
   SPP members are required to maintain a 12% capacity margin, which translates to a 13.6%
   reserve margin. The forecasted reserve margin is 81% for winter 2014/2015. The Trustees
   unanimously accepted the report for submission to NERC.

5. Critical Infrastructure Protection Committee (CIPC) Update .............. Robert McClanahan

   At the last NERC CIPC meeting, the group discussed potential cybersecurity legislation.
   Numerous bills have been introduced, but none have traction. The Cybersecurity Risk
   Information Sharing Program identifies cybersecurity risks in real time and notifies affected
   entities. Initial plans are to deploy the program to 28 utilities. The Electric Sector
   Coordinating Council recently approved a guidebook for security clearances in the electric
   sector. NERC is raising the importance of physical security efforts. The third bi-annual
   continent-wide grid exercise, GridEx III, is scheduled for November 18-19. A main goal of
   the exercise is to identify areas where communication between NERC and industry needs to
   be improved.

   This is Robert McClanahan’s last meeting as the SPP RE CIPC representative. He is also
   stepping down as chair of the SPP RE CIP Working Group (CIPWG). Ron Ciesiel thanked
   Mr. McClanahan for his service. Eric Ervin of Westar will be the new SPP RE representative
   on the NERC CIPC.

6. CIP V5 Transition Update ................................................................. Kevin Perry

   The second set of revisions to the CIP Version 5 standards were approved. The standard
   drafting team will review the comments before reposting the standards for final ballot.
   Version 5 implementation is 17 months away. The new standards introduce a significant
   increase in the number of assets and systems that are covered by the standards. Further
   transition guidance is pending.

   SPP RE CIP staff is meeting bi-weekly with a group of SPP CIPWG members to answer CIP
   V5 questions. SPP RE would like to partner with the SPP RTO Compliance Department to
conduct CIP V5 outreach. SPP RE wants to be as helpful as possible to Registered Entities in understanding the new standards by sharing best practices, discussing hypothetical questions, and sharing what other Registered Entities are doing. There are no compliance expectations related to the outreach. A stakeholder noted that SPP RE has been doing a good job with outreach.

7. **Misoperations White Paper** .................................................................*Doug Bowman*
   A misoperation occurs when a protective relaying scheme trips for a disturbance or fault outside of its zone of protection, which can result in unintended outages. SPP had the highest percentage of misoperations of any region in the U.S. in 2013. Communications are a leading cause of misoperations in our region. The SPP System Protection Control Working Group (SPCWG) analyzed misoperations from Q4 2012 through Q3 2013 to determine the root causes associated with communication system failures and provide lessons learned that can be applied to reduce the number of future misoperations.

   The NERC Protection System Misoperations Task Force determined that these misoperations could be broken down into one of five sub-causes. The SPCWG added two additional categories of sub-causes. The SPCWG reviewed 101 misoperations that occurred in SPP for the one year period. The two sub-causes with the most misoperations were:
   1) Communication Interface Failure, and 2) Station Signal Path Failure.

   Lessons learned included:
   - Equipment spark gaps, insulators, and surge arresters are known to cause carrier holes if not maintained properly.
   - Fiber optic communications provide increased reliability and security over microwave or power line carrier systems.
   - End-to-end testing is advantageous during commissioning to find timing errors and to confirm signal quality.
   - Deteriorated, older equipment requires increased maintenance activity and is more likely to fail than newer equipment. Diagnostic capabilities are lacking as well.
   - Mismatched equipment or differing setting philosophies at opposite ends of the line can create timing issues resulting in a misoperation.

   Communications assisted schemes add sophistication to line protection schemes. Knowing the root causes enables utilities to more accurately troubleshoot problems and take preventive measures to reduce the likelihood of misoperations in the future.

   Ron Ciesiel thanked the SPCWG for its work on this paper. The Trustees commented that we are moving in the right direction.

8. **2014 Stakeholder Satisfaction Survey Results** ..............................*Ron Ciesiel*
   SPP RE issued the 2014 Stakeholder Satisfaction Survey on September 18, 2014, to the 123 Primary Compliance Contacts who are registered in SPP RE’s compliance database (webCDMS). The survey had a 62% response rate (76 respondents), up from 57% in 2013. Of the 76 respondents, 16 opted out of the survey because they do not work with SPP RE enough to provide input.

   Respondents were asked to assess six SPP RE programs on their importance, how well they meet expectations, and customer service/responsiveness. Stakeholders were also asked to assess SPP RE’s performance in relation to other Regional Entities, to rate overall performance, and to provide qualitative comments. On a scale of 1-5 in which 5 represents the most favorable score, average ratings throughout the survey were between 3.3 and 4.5.

   None of the 30 respondents who interact with other Regional Entities rated SPP *much worse or somewhat worse*, 38% rated SPP RE *about the same*, 31% rated SPP RE *somewhat better*, and 31% rated SPP RE *much better*. When asked how well SPP RE’s programs and services meet expectations, respondents rated all with average scores in the *meets*
9. Summary of Recent System Events

Through 3Q 2014, we have 20 total events. In 3Q we had one Category 1h. event - Loss of monitoring or control at a control center. We had one Category 2c. event - Voltage excursions equal to or greater than 10 percent lasting more than 15 continuous minutes due to a BPS emergency.

NERC has published several lessons learned related to Load-Shedding Plans for Localized Events, Loss of EMS Monitoring and Control Functionality for More Than 30 Minutes, Redundant Network Interface Cards on EMS Systems, and Loss of EMS/Dispatch Workstation Functionality due to NTP Time Synchronization Device Misconfiguration.

Regarding the Polar Vortex event, SPP experienced the lowest number of outages except for Florida. Ron Ciesiel thanked operations personnel for their excellence during the Polar Vortex event. Winter is coming, so we need to be prepared this year as well.

10. 2015 Implementation Plan

The SPP RE plan highlights changes, identifies initiatives and activities, covers the Registered Entity Assessment process, identifies regional risks and standards/requirements, and covers the audit schedule and outreach. In 2015, a risk-based compliance oversight framework takes the place of the Actively Monitored List. SPP RE developed a Regional Audit Scope Plan that identifies the risk elements in the SPP RE footprint: top violated standards, facility ratings impacts, new enforceable standards, and protection of Cyber Assets.

In 2015, we will conduct on-site audits for Transmission Operators (TOPs) and Balancing Authorities (BAs) on the 3-year cycle. Ops & Planning will conduct off-site audits or spot checks for non-BA/TOP entities and recently-registered entities. Off-site CIP audits for entities with no identified Critical Cyber Assets are cancelled through the remainder of the transition period (3/30/16). To develop the monitoring scope, SPP RE will perform Registered Entity Risk Assessments for entities scheduled for 2015 monitoring.

11. Enforcement Report

Compliance exceptions do not count toward violation history. We have had 99 incoming violations in 2014; this is a historic low. Violations are 68% CIP and 32% Ops/Planning. The current caseload is 142 violations. Self Reports represent 62% of violations; historically this number has been in the 40-50% range. There are 14 High Impact violations.

12. Financial Discussion

Total expenses are ~$1.7 million under budget. The projected year-end budget underrun increased from $1.85 million to $2.2 million. The Trustees will be looking at eliminating some open positions for next year.

13. SPP RE 2014 Trustee Self-Assessment

The 2014 assessment reported five meetings with an average attendance of 38. Major accomplishments included:
1. Overall 2013 staff performance goals and metrics achievement was 104.36%;
2. Ron Ciesiel served as executive sponsor and two SPP RE staff served on the development team for the NERC Auditor Handbook, which was published in May 2014;
3. Successfully implemented Bulk Electric System Definition exception process;
4. Reviewed/accepted three regional reliability assessments;
5. Continued compliance outreach program of webinars, workshops, newsletters, and videos. The 2013 average number of registrants per webinar increased 64% over 2012; workshops had a 7% increase in participants;
6. Maintained generally favorable stakeholder satisfaction scores;
7. Maintained <12 month enforcement caseload; and
8. Operated RE within approved budget limits.

Major pending issues:
1. Continue working with Registered Entities on CIP version 3 to version 5 transition;
2. Continue working with NERC and other Regional Entities to streamline and standardize CMEP processes through tools and initiatives such as the Reliability Assurance Initiative, auditor training/certification, added on-site audit efficiencies, and risk-informed audit scope;
3. Monitor Registered Entities’ remediation of Facility Ratings discrepancies (FAC Alert), which draws to completion at the end of 2014;
4. Continue focusing on and monitoring relay misoperations and the Event Analysis program; and
5. Continue targeting outreach to improve Registered Entity compliance programs to reduce violations and achieve greater BES reliability.

The Trustees approved the assessment unanimously for submission to the SPP RTO.

We are very close to implementing the compliance exception program, which will be processed in webCDMS. It will tend to replace most of the Find, Fix, Track issues. Bulk Electric System activity has been moderate in SPP RE with ~130 total requests and no major surprises to date.

NERC is reviewing and possibly revamping the entity registration criteria. In final draft form, the following functions are recommended for elimination: Load Serving Entity, Interchange Authority, and Purchasing Selling Entity. The threshold for inclusion in the registry for a Distribution Provider is recommended to increase from 25 MW to 75 MW.

The approved 2015 SPP RE budget calls for a flat budget when compared to the 2014 budget, including a slight reduction in manpower. All RE and NERC budgets have been approved by NERC and FERC for implementation in 2015.

We are in the sixth consecutive quarter with no vegetation contacts. In SPP there were ~420 Facility Ratings Alert (FAC) high priority discrepancies, ~1,980 medium priority, and ~4,050 low priority. Most of them were underbuilds. Eight companies have been granted extensions. Extension requests must be made well before January 1, 2015. The top 10 most violated standards are similar to NERC’s top 10. The number of PRC-005 violations have dropped.

15. Year-to-Date Financial Statement................................................................. .......... Debbie Currie
This agenda item was covered earlier in the meeting.

16. Staff Goals and Metrics ................................................................. .......... Ron Ciesiel
Staff are on target to meet all the performance metrics by the end of the year.

17. Outreach Activity ................................................................................ Emily Pennel
There were 190 registrants for the 9/4 CIP Transition webinar, 160 registrants for the 10/3 Winter Reliability Assessment webinar, and 216 registrants (in-person/webinar) for the Fall Workshop, which received very positive feedback.

18. NERC COMMITTEE REPORTS – Comments or Questions
18a. Planning Committee ................................................................. Noman Williams
18b. Compliance and Certification Committee ........................................ Jennifer Flandermeyer
18c. System Protection and Control ............................................................. Lynn Schroeder
18d. Interchange Subcommittee .................................................................. Jason Smith
18e. Operating Committee Report ............................................................... Jim Useldinger

19. New Action Items ...................................................................................... Emily Pennel
There are no new action items to report.

20. Future Meetings ......................................................................................... John Meyer

January 26, 2015 - Dallas
April 27, 2015 - Tulsa
July 27, 2015 - Kansas City
October 26, 2015 - Little Rock

The meeting was adjourned at 3:09 p.m.

Respectfully submitted,

Emily Pennel
**REGIONAL ENTITY TRUSTEE MEETING**
**OCTOBER 27, 2014**

**ATTENDANCE LIST**

<table>
<thead>
<tr>
<th>NAME</th>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheila Scott</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Emily Brand</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Barry Warren</td>
<td>Empire District Electric</td>
</tr>
<tr>
<td>Martin Penning</td>
<td></td>
</tr>
<tr>
<td>Kevin F. Long</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Joe Geitsch</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Debbie Currie</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Alan Wahlstrom</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Chris Hay</td>
<td>SPP</td>
</tr>
<tr>
<td>Jacob Phillips</td>
<td>MISO</td>
</tr>
<tr>
<td>Lori Spencer</td>
<td>MISO</td>
</tr>
<tr>
<td>Don Kraus</td>
<td>Central Nebraska VPEP</td>
</tr>
<tr>
<td>Dany Barnum</td>
<td>SPP Staff</td>
</tr>
<tr>
<td>Darrell Piatt</td>
<td>FERC</td>
</tr>
<tr>
<td>Jay Casperson</td>
<td>SPP</td>
</tr>
<tr>
<td>Tom Hesemann</td>
<td>Sunflower Electric</td>
</tr>
<tr>
<td>Lindsay Shepard</td>
<td>Pioneer Electric Cooperative</td>
</tr>
<tr>
<td>Bill Harrelson</td>
<td>GSEC</td>
</tr>
<tr>
<td>John Austin</td>
<td>SPP RE</td>
</tr>
<tr>
<td>Tracey Stewart</td>
<td>SWPA</td>
</tr>
</tbody>
</table>
Stacy Duckett
BRIAN GEDRICH
MIKE Wise
Noman Williams
Julian Briz
Tim Eckelberger
ROBERT McCANAHAN
Jennifer Flandersmeyer
John Rhee
Bo Jones (Teleconf)
Fred Meyer (Teleconf)
Jim Useldinger (Teleconf)
Mike Hughes
Beth Emeru
Trent Carlson
Bill Grant
Dave Christiano
John Meyer
Gerry Burrows
Ron Ciesiel
Jim Jacoby
Jeff Kowtter
Thomas Trefatiller
John Allen (Teleconf)

Southwest Power Pool
Regional Entity

NEXTERA Energy Transmission
GSEC
Sunflower
SPP RTO Director
SPP Director
AECC
KCPL
OG&E
Westar Energy
Empire Dist. Elect. Co.
KCPL
SPP RE
South Central McN
""
XCEL/ISPS
SPP RE Trustee
SPP RE Trustee
SPP RE Trustee
SPP RE Staff
AEP
SPRM
SPP RE
SPRM