



**Southwest Power Pool
REGIONAL ENTITY TRUSTEES MEETING**

Oct. 24, 2016

**Southwest Power Pool
Little Rock, Arkansas**

A G E N D A

8:00 a.m. – 3:00 p.m. CST

Meeting Materials

- 1. **Call to Order/Introductions****Dave Christiano**
Chairman Christiano called the meeting to order at 8:02 a.m.
- 2. **Antitrust Guidelines**.....**Dave Christiano**
Attendees reviewed the guidelines.
- 3. **Approval of Meeting Minutes – July 25, 2016****Dave Christiano**
The Trustees approved the minutes with no changes.
- 4. **Winter Reliability Assessment Overview** **Lanny Nickell**
The seasonal assessments are getting smaller, per NERC’s instructions. The forecasted reserve margin is 60% for the 2016-2017 winter season. Variable resource integration continues to be an active issue. There are no identified reliability concerns for this winter. We expect to set new wind penetration record this winter. The Trustees unanimously endorsed the assessment.
- 5. **NERC Compliance and Certification Committee****Jennifer Flandermeyer**
The CCC is on track to complete all items in the 2016 Work Plan. The 2017 Work Plan was aligned with completion of Section 215 responsibilities and the ERO Strategic Plan; it will be presented to NERC Board of Trustees for approval in the February 2017 meeting.

It was discussed at the NERC board meeting that the ERO stakeholder survey showed regional inconsistencies. The NERC Board wants to determine what kind of inconsistencies; the CCC had a good discussion on this and the discussion will continue. The CCC is collaborating with NERC staff and the Standards Committee to do quality reviews of RSAWS.

Jennifer thanked SPP’s CCC members who represent various sectors: Ashley Stringer, John Rhea, and Michael Deloach. SPP RE’s Jim Williams is active in support.

- 6. **SPP RE Risk Assessment****Ron Ciesiel**
The NERC ERO Enterprise Management Group identified and ranked 15 risks in April 2016. The risks were tied to NERC’s strategic goals. Each region identified its organization’s internal controls for each risk and established a Regional Risk Register. The conclusion we came to is that SPP RE’s internal controls are effective for reducing 14 of 15 risks. One risk was not applicable to SPP RE. We now have a roadmap for continuous improvement opportunities for SPP RE. We will send results to NERC in Nov. Trustee Maher suggested we consider looking at regional risks, too. The Trustees unanimously endorsed the risk assessment.

7. SPP RE 2016 Trustee Self-Assessment.....Dave Christiano

Of note on the “major accomplishments” list was managing governance issues related to the SPP RTO’s expansion without the SPP RE footprint changing. The SPP Corporate Governance committee created a sub-group that worked to find two highly qualified people who were elected as new Trustees. CIP V5 is a continuing issue, as are relay misoperations. The Oct. 26 Misoperations Summit is the first of its kind. Hopefully the FAC alert will be completed by the end of 2016. The Trustees endorsed the assessment to be submitted to the SPP Corporate Governance Committee.

8. 2016 Stakeholder Satisfaction Survey Results.....Ron Ciesiel

SPP RE issued the 2016 Stakeholder Satisfaction Survey in Sept. to the 86 Primary Compliance Contacts registered in webCDMS. The survey had a 64% response rate. When asked how well SPP RE’s programs and services meet expectations on a scale of 1 to 5, with 5 being the highest, respondents rated all with scores in the *meets expectations* range. When asked to rate employees’ customer service ability or programs’ responsiveness to needs, respondents rated all with scores between *average* and *excellent*.

Of the 21 respondents who interact with other Regional Entities, none rated SPP *much worse*, 5% rated SPP RE *somewhat worse*, 30% rated SPP RE *about the same*, 45% rated SPP RE *somewhat better*, and 20% rated SPP RE *much better*.

Overall, respondents rated SPP RE with a score of 4, or *good*. Staff is developing an action plan to address concerns, which will be shared at the next Trustees meeting. Trustee Whitley noted importance of following up on the survey results.

9. 2017 Implementation Plan..... Jim Williams

Jim Williams reviewed the 2017 ERO Risk Elements and process, SPP RE Risk Elements and Implementation Plan, Registered Entity Risk Assessment process, and audit schedules.

10. CIP Update Kevin Perry

Kevin Perry discussed NERC CIP Standard Drafting Team activities, revisions to the CIP standards, and FERC Order 829 requiring development of a standard to address supply chain risk management. SPP RE has completed three on-site audits since July 1. The last audit is scheduled for November. We still don’t know which audit FERC will lead.

Kevin researched and shared CIP V5/V6 violations since July 1 for all of the REs. REs are just now beginning to ramp up their audit activities. Of the SPP RE violations, 44% were self-reported.

Responding to a question from SPP Board Chair Jim Eckelberger, Kevin noted that SPP RE’s CIP outreach and readiness assessments definitely improved SPP Registered Entity performance and even led to some companies going “above and beyond” to meet the standard.

11. 3 Q Event AnalysisAlan Wahlstrom

SPP RE Registered Entities have spent approximately \$18,000,000 to assess lines under the FAC report. SPP Operations Engineer Mike Nugent discussed an oscillation event from Feb 2016. Fred Meyer noted it is alarming that we still don’t know the root cause of this event. Alan Wahlstrom noted this event highlights the need to bring more PMUs into our region. The RTO synchrophasor strike team is working on this issue. Trustee Whitley noted we need to look at processes to stay on top of generation controls.

Kevin Perry noted that if you aren’t using data from synchrophasor units for real time operations, they are not BES Cyber Assets so not applicable to CIP V5 standards.

12. Enforcement Report.....Joe Gertsch

We have a caseload of 164 active violations. This number will increase significantly due to the recent incoming violations; most of these will be handled via Compliance Exception. About 80% of SPP RE’s compliance issues are being processed via Compliance Exception or FFT, which are for minimal risk. Joe Gertsch reviewed two years of mitigation plan data. There is a relatively new NERC requirement to include root cause in a mitigation plan.

Joe encourages everyone to submit mitigation plans as soon as possible to start the “safe harbor” clock.

13. General Manager’s Report/Compliance ReportRon Ciesiel

We had a serious uptick in violations in second quarter resulting from the GO/TO self-certification. Most of the issues were at wind farms. We have completed four Internal Control Assessments which resulted in removing some requirements from auditor’s review and reducing sample size.

14. SPP RE Third Quarter Financial ReportRon Ciesiel

FERC approved all RE and NERC budgets. We are running under budget by 7%. The evidence we receive today is vastly improved over what it was in the past; this allows us to cut back on the amount of on-site work. The financial underrun goes back into our assessments for next year.

15. Staff Goals and Metrics.....Ron Ciesiel

We are on track with the metrics overall, though there are a few we will not meet.

16. Outreach Activity.....Emily Pennel

Emily reviewed the 2016 meeting dates. She encouraged stakeholders to change their online meeting registration if they cannot attend a meeting or need to change from in-person to webex. SPP has been incurring significant costs for meeting no-shows.

17. NERC COMMITTEE REPORTS – Comments or Questions

- a. Planning Committee Noman Williams
- b. NERC Operating Committee Report Jim Useldinger
- c. System Protection and Control Open
- d. Critical Infrastructure Protection Committee Eric Ervin

18. Existing and New Action ItemsEmily Pennel

Action Item: Better memorialize SPP RE’s interface with the RTO in how we are billed, confidentiality, etc.

19. Future MeetingsDave Christiano

- January 30, 2017- Dallas, TX
- April 24, 2017- Tulsa, OK
- July 24, 2017 - Denver
- Oct. 30, 2017 - Little Rock

The meeting was adjourned at 2:44 pm.

Respectfully,
Emily Pennel, SPP RE Staff Secretary

REGIONAL ENTITY TRUSTEE MEETING

October 24, 2016

ATTENDANCE LIST

NAME	ORGANIZATION
Bo Jones	Westar Energy
Mike Hughes	SPP RE
Joe Geltsch	SPP RE
Jennifer Flandermeyer	KCPL
TRACEY STEWART	SNPA
Jim Williams	SPP RE
JULIAN BRIX	SPP DIRECTOR
GRAHAM EDWARDS	SPP Director
DAVID OSBURN	OMPA
Fred Meyer	The Empire District Electric Company
BRENT BAKER	EMPIRE DISTRICT ELEC
JEFF KNOTTEK	SPRM
John Allen	SPRM
Chris Lang	GSEC
John Olsen	Westar
Andrea Danzette	SPP RE
Kevin Hopper	SCMCN
BARY WARREN	SCMCN/GREED/LONCE
Alan Wahlstrom	SPP RE
Mike Wise	GSEC

Jori Spence	MISO
Joe Gardner	MISO
Jeff Rooker	SPP RE
Darrell Platt	FERC
Nomen Williams	SCMCA
Beth Emery	SCMCA
TRENT CARLSBACH	SCMCA
TOM WESTERMAN	Sunflower
Thomas Maldonado	Xcel Energy
Monica Evans	SPP RE
Emily Pennef	SPP RE
Terri Ryle	OGE
John D. Rhee	OGE
LANNY NICKELL	SPP
Michael Desselle	SPP
SEVEN B. LEWIS	SPP RE
Ron Cesiel	SPP RE
GERRY BURROWS	SPP RE
Dave Christiano	SPP RE
MARK MATHER	SPP RE
Steve Whitley	SPP RE
Jim Eckelberry	SPP Director
Michael Nugent	SPP Operations
Thomas Teofetilla	SPP RE
Carl Stilly	SPP RTD

