



**REGIONAL ENTITY TRUSTEES MEETING**

**OCTOBER 30, 2017**

**SPP Corporate Center Little**

**Rock, Arkansas**

**A G E N D A**

**8:00 a.m. – 3:00 p.m.**

1. **Call to Order/Introductions.....Dave Christiano**  
Chairman Christiano called the meeting to order at 8:01 a.m. He introduced Darrell Piatt with FERC. SPP Board Chair Jim Eckelberger and SPP Board member Julian Brix were also present.
2. **Antitrust Guidelines.....Dave Christiano**  
The group reviewed the guidelines.
3. **Approval of Meeting Minutes – July 24, 2017.....Dave Christiano**  
The minutes were approved.
4. **Trustees Discussion of Transition Issues.....Dave Christiano**  
Tomorrow is the deadline for Registered Entities to declare which Regional Entity they wish to join. It is likely the dissolution will be finalized by mid-2018, but it could take until the end of next year. If a company doesn't make a declaration, NERC will make assign the company to an RE. Trustee Maher said his understanding is that NERC is not concerned if SPP RE Registered Entities go to multiple REs. The REs are not supposed to be taking a stand on this issue. Trustee Burrows encouraged Registered Entities to let us know if they are not getting the information they need from NERC. Trustee Whitley encouraged Registered Entities to align with their Reliability Coordinator.
5. **Winter Reliability Assessment / Winter Preparedness .....Alan Wahlstrom**  
*Action Item: Endorse the report*  
SPP is a summer peaking region, so our reserve margin of 67% is very good for winter. On-peak capacity is 46% gas and 38% coal. Mr. Wahlstrom reviewed the typical problem areas utilities experience in winter. Winter is coming, and SPP and NERC do a lot of work encouraging companies to prepare. Mr. Ciesiel reminded companies that if there are problems due to lack of winter preparedness, NERC could create new standards on this issue. The Trustees endorsed the winter reliability assessment.
6. **NERC Critical Infrastructure Protection Committee (CIPC) .....Eric Ervin**  
Mr. Ervin discussed plans for the upcoming GridEx IV and several other meetings. He reviewed the CIPC's strategic plan and work plan. The E-ISAC launched a new portal platform with significant improvements. He described three of the E-ISAC's tools: the Cyber Hygiene program,

*Relationship-Based • Member-Driven • Independence Through Diversity*

*Evolutionary vs. Revolutionary • Reliability & Economics Inseparable*



Risk and Vulnerability Assessment program, and Cybersecurity Risk Information Sharing Program (CRISP). SPP is looking into the use of CRISP.

In 2018, NERC will continue to focus on a risk-based approach to compliance. The new CIP standards are still highly violated. SPP RE has provided good outreach to help Registered Entities understand the standards. A study is underway on CIP-014.

**7. SPP RE 2017 Trustee Self-Assessment .....Dave Christiano**

*Action Item: Approve for submission to SPP, Inc. Corporate Governance Committee*

There were no comments on the assessment. The Trustees approved submitting the assessment to SPP, Inc.

**8. 2017 Stakeholder Satisfaction Survey Results ..... Ron Ciesiel**

In September, SPP RE issued the 2017 Stakeholder Satisfaction Survey to the 145 Primary Compliance Contacts and Authorizing Officers registered in webCDMS. The survey had a 41% response rate. Of the 23 respondents who interact with other Regional Entities, none rated SPP *much worse* or *somewhat worse*, 52% rated SPP RE *about the same*, 22% rated SPP RE *somewhat better*, and 26% 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 expectations* range between 3.4 and 3.8. All ratings were higher than in 2016. When asked to rate employees’ customer service ability or programs’ responsiveness to needs, respondents rated all with average scores between *good* and *excellent*, from 4.0 to 4.4. Five of the six programs were rated the same or higher than in 2016. The 2017 overall satisfaction rating of 4.1 is slightly higher than the 2016 rating of 4.0.

Trustee Maher noted SPP RE should continue working to improve the ICE/IRA processes.

**9. 2018 Implementation Plan ..... Jim Williams and Sushil Subedi**

Mr. Williams and Mr. Subedi reviewed the 2018 ERO Implementation Plan, which includes a section on SPP RE’s plan. In 2018 the ERO will continue risk-based monitoring. SPP RE did not expand on NERC’s 2018 risk elements, but we did add standards and requirements to those risk elements. There are about 220 entities in multi-regional oversight.

NERC has a new “program alignment” process for reporting inconsistencies. Jennifer Flandermeyer noted this new process uses a third-party to ensure anonymity, if requested. Issues submitted through the process will be triaged at NERC.

Mr. Ciesiel noted that, as of now, SPP RE is planning to be fully engaged with our CMEP work through the end of June 2018. Self-certifications should be complete by June. Typically, an audit is about a five-month process. We are now committed through March 2018 with our on-site work. We can engage a company’s “new” RE to join us in audit efforts. The transition on the compliance side should be relatively straightforward. The enforcement transition may be a bit more complicated and will need to be managed carefully.

- 10. CIP Update.....Kevin Perry**  
Mr. Perry gave an update on new/revised CIP standards, concepts for virtualization, and recent CIP violations. We are seeing issues with access management and patch management. Best practices include patching Control Center systems at least monthly, eliminating unnecessary access permissions and privileges, frequently scanning the National Vulnerability Database for vulnerability announcements, and frequently visiting US-CERT and E-ISAC for threat advisories.

Mr. Perry reviewed several recent cyber-attacks including WannaCry, Industroyer / CrashOverride, NotPetya, “Nuclear 17”, CCleaner, and the Equifax breach. “Spear phishing” attacks are presenting a very high risk.

Trustee Burrows asked how Registered Entities can share information about attacks to prevent it happening from other companies. Mr. Perry noted that if a Registered Entity detects a reportable incident, it is obligated to report it to E-ISAC. The E-ISAC will send the report to DHS, correlate it with other issues, and publish an alert if needed. Companies need to have the tools to recognize attacks and should report events.

- 11. 3 Q Event Analysis..... Alan Wahlstrom**  
Mr. Wahlstrom reviewed SPP RE system events that occurred in the third quarter. All events were in the lowest assignable risk category of category 1a. *loss of three or more elements* and category 1h. *partial loss of EMS*. He also reviewed recent NERC lessons learned and event analysis statistics across the ERO.

- 12. Enforcement Report.....Joe Gertsch**  
Mr. Gertsch updated the group on enforcement activities through the end of September. There were 12 incoming non-compliance issues in Sept.; this brings the annual total to 154. Almost 90% of these issues were self-reported. The MRRE program continues to mature and the number of MRRE violations has increased. We have processed 164 non-compliance issues this year; 103 were processed as compliance exceptions. An increasing number of entities are using Mitigating Activities in lieu of a Mitigation Plan. SPP RE will work as many violations as we can before turning issues over to the “new” REs.

- 13. President’s Report/Compliance Report ..... Ron Ciesiel**  
It is the Registered Entity’s responsibility to keep contacts updated in webCDMS to ensure you are getting information from NERC. SPP RE is still the compliance and enforcement authority for SPP RE Registered Entities until NERC and FERC approve the transition. The SPP RE delegation agreement will be terminated and the other RE agreements will have to be edited. The PRC and MOD standards have dropped off SPP RE’s Top Ten Most Violated standards list; CIP-007 is the most violated. Trustee Burrows noted positive developments arising from the recent misoperations summit.

- 14. SPP RE Third Quarter Financial Report .....Debbie Currie**  
The Trustees approved a transition plan to continue operations until SPP RE’s effective termination date.



**15. Staff Goals and Metrics..... Ron Ciesiel**  
Staff is generally on track with on goals and metrics.

**16. Outreach Activity .....Emily Pennel**  
About 170 people attended the fall workshop in person or via WebEx. Survey results were very positive.

**17. NERC COMMITTEE REPORTS – Comments or Questions**

- a. Planning Committee .....Noman Williams
- b. Operating Committee Report..... Jim Useldinger
- c. System Protection and Control..... Louis Guidry
- d. Compliance and Certification ..... Jennifer Flandermeyer

**18. Existing and New Action Items ..... Emily Pennel**  
There were no new action items.

**19. Future Meetings .....Dave Christiano**  
Jan. 29, 2018 - Oklahoma City, OK  
Apr. 23, 2018 - Kansas City, MO

The meeting was adjourned at 3:15 p.m.

Respectfully,

Emily Pennel

SPP RE Trustees Secretary



SPP RE TRUSTEE MEETING

October 30, 2017 8 am – 3 pm

Southwest Power Pool Corporate Office – Little Rock, AR

• ATTENDANCE LIST •

Name	Company
Monica Evans	SPP RE
Emily Penwell	SPP RE
Jim Eckelberger	SPP Director
JULIAN JIRIX	SPP DIRECTOR
Stephan Whitley	SPP Trustee
GERRY BURROWS	SPP TRUSTEE
DAVE CHRISTIANO	"
MARK MAHER	"
RON CIESIEL	SPP RE
CHRIS LANG	GSEC
DARRELL PIATT	FERC
Paul Mehlhaff	Sunflower Electric Power
Patrick Smith	Wester
John Olsen	nl
Debbie Currie	SPP RE
Alan Wahlstrom	SPPRE
Joe Gertsch	OPPRE
Jim Williams	SPPRE
Kevin B. Perry	SPI RE
Noman Williams	SCMCN SCMCN
Trent Carlson	

