

**REGIONAL ENTITY TRUSTEES MEETING**

**JANUARY 29, 2018**

**Oklahoma City, Oklahoma**

**A G E N D A**

**8:00 a.m. – 3:00 p.m.**

**Meeting Materials**

**1. Call to Order/Introductions.....Dave Christiano**

Chairman Christiano called the meeting to order at 8:01. He introduced FERC's Darrell Piatt. Mr. Piatt stated that FERC's Mike Bardee is retiring.

Chairman Christiano discussed the death of Trustee Gerry Burrows. Gerry entered our industry in 1971 and worked with KCP&L until 2006. He was one of the founding SPP RE Trustees in 2007. Gerry volunteered doing outdoor activities with deaf children and was a very giving person. KCP&L's Jennifer Flandermeyer shared memories of Gerry, including his quiet, gentle way of leading.

**2. Antitrust Guidelines.....Dave Christiano**

The group reviewed the guidelines.

**3. Approval of Meeting Minutes – 10/30/2017.....Dave Christiano**

The minutes were unanimously approved.

**4. Transition Discussion..... Ron Ciesiel**

Last fall, NERC asked SPP RE's Registered Entities to state which RE they wanted to join. Then NERC issued its staff opinion, assigning most of the companies to MRO and some to SERC. After accepting comments from industry, NERC restated its decision on the allocation of entities.

On February 8, the transition/dissolution plan will be presented to the NERC Board for approval. In the [February board packet](#), NERC stated they may not file with FERC until June 30, 2018. Ron emphasized the importance of moving this process expeditiously so SPP RE staff can move on with their careers. Ron suggested everyone read the NERC Board packet for a full understanding of NERC's actions.

The packet indicates NERC will lead compliance and enforcement for SPP, Inc. for two years. SPP Board member Julian Brix noted that SPP, Inc. leadership recently met with NERC leadership to discuss the transition. He stated that SPP, Inc. requested to be assigned to RF due to its experience auditing RTOs.

Shon Austin and Jimmy Cline have accepted positions with SERC. SPP RE now has 20 employees and more may leave. Right now we expect our staffing is adequate to meet our CMEP duties. If any major system events

arise, that may cause an issue regarding which REs will be involved. Enforcement is doing its best to process noncompliance issues and get them up to NERC. Eventually we will need to transfer violations to the new RE. OATI will have to do some software modifications to effect the transfer to new REs.

5. **2017 Annual Report..... Ron Ciesiel**  
SPP RE staff met its 2017 goals despite a tumultuous year. About 90% of incoming violations were self-identified, which is excellent news. The Facility Ratings Alert program has finally wrapped up and thousands of discrepancies mitigated; we are now in great shape regarding our understanding of what the transmission system actually looks like. FERC and NERC observers of SPP RE's audits gave us superb accolades. Trustee Whitley noted that staff's performance was very good during a difficult year.
6. **Accept 2017 Goals and Metrics Performance \* Action item.... Ron Ciesiel**  
Staff met or exceeded 12 of 14 metrics. The Trustees approved staff's performance at 118.5% of 2017 metrics. Chairman Christiano saluted staff's 2017 performance.
7. **Approve 2018 Goals and Metrics \* Action item ..... Ron Ciesiel**  
Mr. Ciesiel reviewed the 2018 staff goals and metrics. Kevin Perry discussed the steps to transferring files to other REs. We will electronically shred documents that aren't needed for regulatory reasons. Then we will put files we need to transfer on secure "iron key" hard drives and give them to the gaining RE. The data will be encrypted. Ms. Flandermeyer noted the importance of this file transfer.

To give more weight to the "transition close out" metric 12, the trustees adjusted the metrics as follows: metric 2 - 5%, metric 3 - 5%, metric 10 - 10%, metric 11 - 7.5%, metric 12 - 15%. Staff were directed to develop a close-out/transition plan with milestones for metric 12 by March 12, 2018. The Trustees approved the metrics with the above modifications and addition of a specific plan for metric 12.

8. **CIP Update ..... Kevin Perry**  
Mr. Perry gave updates to CIP-003-7, CIP-008-5, CIP-013-1, CIP-002-6, and CIP-012-1. He reviewed CIP version 5 standards and requirements that have been violated in our region.

Two new cyber vulnerabilities are Meltdown and Spectre; they "steal secrets" and are enabled as a result of the intrinsic design characteristics of modern CPU processors (speculative processing). Devices with processors from 2015 or earlier are more likely to exhibit slowdowns due to mitigation efforts. These vulnerabilities are likely the first two demonstrations of how these design characteristics can be exploited.

To mitigate these vulnerabilities, companies should: test patches thoroughly before installing operating system patches, including stress testing; isolate your BES Cyber Systems and associated EACMS, PACS, and PCAs from the Internet; avoid mixed-trust virtual system environments; and avoid using the same authentication credentials for CIP-protected and corporate Cyber Assets. The above recommendations are not related to the CIP standards; these are just good cyber security practices.

9. **2017 System Events Review**.....**Alan Wahlstrom**  
There were three events in the SPP RE region in the fourth quarter of 2017. Two were category 1a - *loss of three or more elements* and there was one category 1h - *partial loss of EMS*. Mr. Wahlstrom also reviewed recent NERC lessons learned.
10. **Enforcement Report**..... **Joe Gertsch**  
SPP RE has a caseload of 171 active violations; 129 are CIP and 42 are operations & planning. There were 125 issues self-reported. In 2017 we processed 192 violations, which is significantly higher than in recent years. Mr. Ciesiel noted that the MRRE program needs to improve some of its communication processes. We are processing as many issues as we can as “mitigating activities”.
11. **President’s Report**..... **Ron Ciesiel**  
Violations in SPP RE were down in 2017 from 2016. The Regional Compliance Working Group and SPCWG are focusing on misoperations. We had an actionable contact in the third quarter of 2017. The number of new standards going into effect is dropping.
12. **Financial Report**.....**Debbie Currie**  
We went over budget by ~\$190,000 in 2017. The 2018 budget was slightly decreased from 2017.
13. **Outreach Activity** .....**Emily Pennel**  
SPP RE is planning workshops for March 27 and June 5. If SPP RE continues on through 2018, a fall workshop and more Trustee meetings will be scheduled.
14. **NERC Compliance Committee** .....**Jennifer Flandermeyer**  
A number of CCC members are retiring or rolling off, so the group is working on succession planning and putting new people into leadership roles. The CCC is reaching out to all of the RE workshops to help people understand what the CCC does.

The third-party Program Alignment tool acts as a “concerns line” for industry to submit consistency issues. There will be a stakeholder survey later this



year or early 2019. The CCC audits NERC's adherence to the Rules of Procedure; the CCC reviewed the standards process manual and standards applicable to NERC.

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

- a. Planning.....Noman Williams
- b. Critical Infrastructure Protection.....Eric Ervin
- c. Operating.....Jim Useldinger
- d. System Protection and Control.....Louis Guidry

**16. New Action Items.....Emily Pennel**

- SPP RE will give public reports on the transfer of files to other REs

**17. Future Meetings.....Dave Christiano**

The meeting was adjourned at 1:54 for executive session.

Respectfully submitted,  
Emily Pennel  
SPP RE Trustees Secretary



SPP RE TRUSTEE MEETING

January 29, 2018, 8 am – 3 pm

Skirvin Hilton – Oklahoma City, Oklahoma

• ATTENDANCE LIST •

Name	Company
Monica Evans	SPP RE
Emily PENNELL	SPP RE
Kevin Perry	SPP RE
Loe Gerlach	SPP RE
Mark W. Mahler	SPP RE Trustee
David Christiano	"
Steve Whitley	SPP RE Trustee
RON CIESIEL	SPP RE
John Olsen	Westar
Jennifer Flandermeyer	KCP&L
MARK CRISSON	SPP DIRECTOR
JULIAN BRIZ	SPP DIRECTOR
Norman Williams	SCMCN
DARRELL PIATT	FERC STAFF
Deborah Currie	SPP RE
BARY WARREN	South Central MCN/GRDLIANCE

