

REGIONAL ENTITY TRUSTEES MEETING

APRIL 23, 2018

Kansas City, Missouri

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 a.m.
2. **Antitrust Guidelines****Dave Christiano**
The group reviewed the guidelines.
3. **Approval of Meeting Minutes – 01/28/2018**.....**Dave Christiano**
The minutes were approved.
4. **Transition Discussion**..... **Ron Ciesiel**
NERC has agreed that June 30 is a good transition date. NERC asked FERC for a May 4 decision date, and we expect FERC to approve the transition. There are 17 SPP RE staff remaining. Nine employees have been placed with SPP RTO, a few are retiring, and some have moved to other companies. After June 30 a small transition team will remain to ensure all the details are closed out. The Regional Delegation Agreement will be suspended on August 31.

SERC and MRO attended our March workshop. SERC has visited our office for a transition discussion, and MRO is coming this week for detailed discussions. In May MRO is having an orientation for new members.

5. **Transition Checklist**..... **Debbie Currie and Kevin Perry**
At the January meeting we took an action item to develop close-out checklists. The Trustees approved the lists on a March 12th call. These lists are part of our 2018 metrics and are weighted at 15%. Staff who have left SPP have successfully used the individual checklist to ensure knowledge transfer, return of SPP equipment, and other activities.

We expect to transfer about 100 enforcement actions. We are working as many open enforcement actions as we can, but at some point will have to cut off enforcement work.

The RE dissolution checklist ensures CMEP and other ERO-data is transferred securely and timely. SPP RE working with NERC, SERC and MRO to transfer records and is participating in bi-weekly calls scheduled by NERC. We are transferring internally-housed CMEP records in a secure iterative process. We are expunging files on the SPP RE network share, EFT

server, USB drives, and paper file cabinets. We will notify stakeholders that files from 2009-2012 can be expunged.

SPP RTO provides SPP RE's IT infrastructure. Several stakeholders expressed concern about SPP's backups of the SPP RE network share. SPP RE's backups are not segregated from other SPP data. SPP can't selectively delete SPP RE backup data, but it is encrypted at least once and we believe it will remain secure to the backup life of seven years.

RCWG Chair Jennifer Flandermeyer suggested the security of SPP RE's backups become an RCWG action item for follow-up. Kevin Perry agreed that this is a good idea to keep SPP accountable for security of these backups.

Trustee Whitley and Ron Ciesiel thanked staff for their hard work on the data transfer, which is a huge job.

6. **Financial Report.....Debbie Currie**
NERC asked SPP RE to create a transition budget; we anticipate spending \$5.4 million through June 30. We are not preparing a 2019 budget. We are currently under running the transition budget. We budgeted \$225,000 for OATI transfers to MRO and SERC.

Several financial activities will take place after the dissolution of the SPP RE Regional Delegation Agreement on Aug. 31, including an audit. There may be some enforcement work that needs to wrap up in the July-August timeframe.

The Trustees accepted staff's recommendation that SPP RE does not need to request additional funds.

7. **NERC Compliance CommitteeJennifer Flandermeyer**
NERC's Program Alignment Process is an anonymous, third-party tool that allows stakeholders to report inconsistencies in the ERO. The CCC has a program alignment working group that is helping NERC with this process; about 30 reports have been made through the tool. The Stakeholder Perception Survey occurs every 18 months; it will kick off in August. Some Rules of Procedure updates are forthcoming. Energy Sec was qualified as an organization that can submit compliance guidance for endorsement by NERC. There are now 19 qualified organizations. The ERO is producing guidance on what "directly connected to the BES" means, as related to the risk-based registration initiative. NERC has posted materials on this topic.

8. **NERC Summer Assessment.....Alan Wahlstrom**
The NERC summer assessments are now very short. This 2018 SPP RE assessment data is still under review, so it could change slightly. We don't anticipate any issues for the 2018 summer season. Ron Ciesiel noted that the SPP region's transmission upgrades have helped with reliability.

9. **CIP Update** **Kevin Perry**

FERC approved CIP-003-7 and its implementation plan. Other standards under development are CIP-008-5 Incident Reporting, CIP-013-1 Supply Chain Management, CIP-012-1 Communications Between Control Centers, and CIP-002-6 BES Cyber System Categorization.

Entities continue to self-report, which is evidence of good compliance programs. CIP-005 (access control and firewall rules) and CIP-007 (patch management) continue to be the most violated standards. We are still seeing issues with baselining, too.

Kevin Perry noted that 80% of cyber-attacks can be stopped with patching, anti-malware, and user access privileges.

A WECC entity recently settled a \$2.7M penalty for exposing information on over 30,000 Cyber Assets, including IP addresses and server host names.

A joint DHS/FBI [Technical Alert TA18-074A](#) was released called “Russian Government Cyber Activity Targeting Energy and Other Critical Infrastructure Sectors”. The report describes tactics, techniques, and procedures Russian threat actors used to target government entities and U.S. critical infrastructure sectors. [Technical Alert TA18-106A](#) was released 4/16/2018 by DHS, FBI, and the United Kingdom’s National Cyber Security Centre (NCSC). It describes world-wide exploitation of network infrastructure devices by Russian state-sponsored cyber actors.

10. **System Events Review**..... **Alan Wahlstrom**

Four events occurred in the SPP region in the first quarter of 2018. All events were in the lowest assignable risk category; three in category 1a-*loss of three or more elements*, and one in category 1h-*partial loss of EMS*. Over the last 10 years, SPP RE has reviewed over 200 events and SPP companies analyzed over 2,000 lines for the Facility Ratings Alerts. FERC’s Darrell Piatt noted that system events work is essential to reliability and should continue for the SPP region.

11. **Enforcement Report**..... **Joe Gertsch**

We had an uptick of non-compliance issues in March for a total of 40 new issues through the first quarter and 106 active issues. Ron Ciesiel noted that Registered Entities can help us out by clearing their backlog of mitigating activities.

12. **President’s Report**..... **Ron Ciesiel**

There were no intervenors with comments on the FERC transition filing, and we expect a FERC ruling by May 4. We are confident we will be able to fulfill

our duties through the close-out of SPP RE. NERC will be the compliance enforcement authority for the SPP RTO for two years.

13. 2018 Metrics..... Ron Ciesiel

SPP RE developed a six-month metrics dashboard to phase us out of our work by June 30. Staff is on track for good metrics performance.

14. Outreach ActivityEmily Pennel

Trustee Whitley noted the last SPP RE workshop was very good, and that SPP RE's outreach efforts have been one of our strongest programs.

15. NERC COMMITTEE REPORTS – Comments or Questions

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

Ron Ciesiel thanked NERC committee members Noman Williams, Louis Guidry, Jim Useldinger, Jennifer Flandermeyer, Eric Ervin, John Breckenridge, and Don Hargrove for their hard work on these committees.

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

SPP RE will schedule a Trustee phone call in mid-June to approve final metrics performance

Chairman Christiano shared a Resolution thanking SPP RE for its service.

The meeting was adjourned at approx. 1:45 p.m.

The meeting was followed by a closed executive session to discuss personnel issues and financial audit results.

Emily Pennel
SPP RE Trustees Secretary

SPP RE TRUSTEE MEETING

April 23, 2018, 8 am – 3 pm

InterContinental at the Plaza – Kansas City, MO

• ATTENDANCE LIST •

Name	Company
Monica Evans	SPP RE
Emily Penwell	SPP RE
Debbie Currie	SPP RE
Kevin B. Angus	SPP RE
Alan Wahlstrom	SPP RE
TOM HESTERMANN	Sunflower
Dave Christiano	SPP RE
Steve Whitley	SPP RE
Mark W. Miller	SPP RE
Carl Stelly	SPP RTO
Jennifer Flandermeyer	KCP&L
Jim Jacoby	AEP
Darrell Piatt	FERC
Joe Geetsch	SPP
JM USZDINGER	COBANCE
Row CRESWELL	SPP RTO
Patrick Smith	Westar
Paul Mehlkeff	Sunflower
Jim Kappelberger	SPP Director

