



**REGIONAL ENTITY TRUSTEES MEETING**  
**JUNE 28, 2018**  
**LITTLE ROCK, ARKANSAS**  
**A G E N D A**  
**2:00 p.m. – 4:00 p.m.**

1. Call to Order/Introductions.....Dave Christiano
2. Antitrust Guidelines .....Dave Christiano
3. Approval of Meeting Minutes – 04/23/2018 .....Dave Christiano
4. Approval of Meeting Minutes – 06/19/2018 .....Dave Christiano
5. Transition Update .....Ron Ciesiel
6. 2018 Goals & Metrics .....Ron Ciesiel/SPP RE Trustees  
*\*Action Item:* Trustees to publicly approve the 2018 goals & metrics results and performance pay awards
7. Motion to Cease CMEP Activities.....Ron Ciesiel/SPP RE Trustees  
*\*Draft motion:* The SPP RE will cease all Compliance Monitoring and Enforcement activities at 5:00 p.m. CST on June 29, 2018
8. Closing Remarks .....Ron Ciesiel / RE Trustees

# SPP Regional Entity Antitrust Guidelines

It is SPP RE's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

**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 Committee .....Jennifer 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 Activity .....Emily 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
Jim USELDINGER	COPOLANCE
Ron CRESSEL	SPP RD
Patrick Smith	Wester
Paul Mehlkeff	Sunflower
Jim Kappelberger	SPP Director







**REGIONAL ENTITY TRUSTEES MEETING MINUTES  
JUNE 19, 2018**

The SPP RE Trustees and staff hold a monthly call. During the June 19 call, the Trustees approved the following 2018 half-year performance metrics results and a target pay-out of 138.4%.

<b>Metric</b>	<b>Metric Weighting</b>	<b>Actual Performance of Metric</b>	<b>Actual Performance Contribution</b>	<b>Actual Weighted Metric Score</b>
1. Maintain caseload of no more than one year	10.00%	161.11%	150%	15.00%
2. Accept or reject Mitigation Plans within 30 days of submission by Registered Entity or within 10 days of resubmission.	5.00%	100.00%	100%	5.00%
3. Complete Mitigation Plan completion reviews within 30 days of Registered Entity notification of completion	5.00%	4.68 days average	150%	7.50%
4. Process pre-2017 violations and send to NERC	10.00%	141.67%	100%	10.00%
5. Complete documentation close-out of all violations within 45 days of issuance of the NCEA	7.50%	21.43 days average	150%	11.25%
6. Publish non-public off-site audit report to NERC (40 days)	7.50%	71.43%	0%	0%
7. Publish non-public on-site audit report to NERC (65 days)	7.50%	30.6 days average	120%	9.00%
8. Publish internally completed assessment of Self-Certification/periodic data submittals	7.50%	100%	100%	7.5%
9. Process incoming Possible Violations to NERC through webCDMS in 5 business days or less	2.50%	1.84 days average	100%	2.50%
10. Maintain RE expenses within budget	10.00%	-18.78% Budget Variance	120%	12.00%
11. Outreach	7.50%	100.00%	100%	7.50%
12. Transition Close-out	15.00%	21.74% complete to date-	150%	22.50%
13. Close out of System Events	5.00%	19 remaining open of 24 base	111.6%	5.58%
<b>ACTUAL WEIGHTED TOTAL</b>				<b>115.33%</b>



14. 2018 Dissolution Year Multiplier ( <b>apply 120% since total accomplishment is greater than 105%</b> )				<b>120%</b>
<b>WITH DISSOLUTION YEAR MULTIPLIER</b>				<b>138.40%</b>

## 2018 Metrics Performance Final

Metric	Metric Weighting	Actual Performance of Metric	Actual Performance Contribution	Actual Weighted Metric Score
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<b>WITH DISSOLUTION YEAR MULTIPLIER</b>				<b>138.40%</b>

# Half-Year SPP RE Metrics Reporting as of June 13, 2018

Within Target

Outside Target but within Alloted Range

Outside Alloted Range

## 1. Maintain Caseload

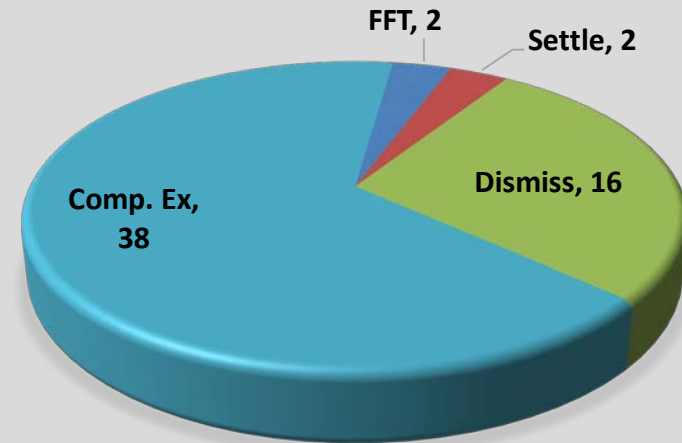
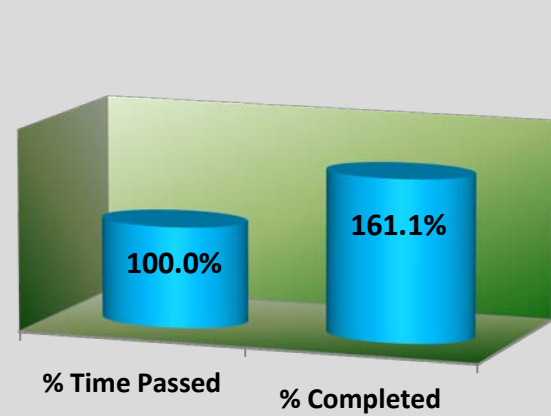
## 2. Mit. Accept/Reject

## 3. Mit. Plan Completion

## 4. Process Pre-2017 Violations

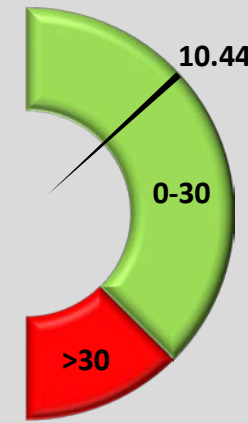
### Process 36 Violations by June 30th

FFT	Settle	Dismiss	NOCV	Comp. Ex	Total	% Time Passed	100.0%
2	2	16	0	38	58	# Remaining to Goal	0



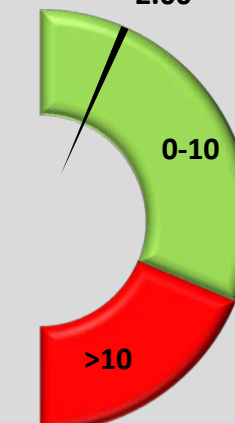
### Accept/Reject Mitigation Plans within 30 days

Current Avg. Days	10.44
Version 1 Mit Plans	16



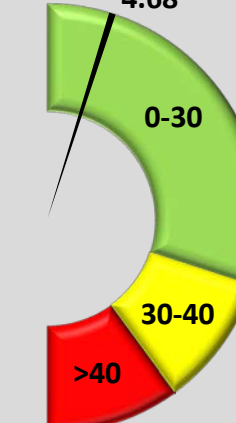
### Accept/Reject Resubmitted Mitigation Plans within 10 days

Current Avg. Days	2.0
Resubmitted Mit Plans	7



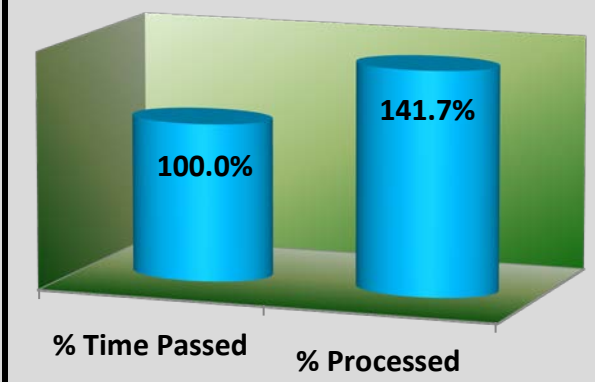
### Complete Mitigation Reviews <= 30 days

Current Avg. Days	4.68
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### Process 12 of Pre-2017 Caseload

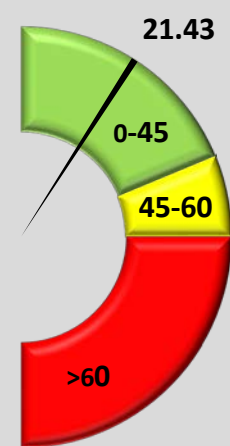
Goal	12
Pre-2017 processed	17



## 5. Records Close Out

### Close Out Violation Records in Average of 45 Days

# of Violations Closed	93
Current Average Days	21.43



## 6. Publish Off-Site Audit

### Publish Off-site within 40 days

# Published YTD	7
# of Reports Published in more than 40 Days	2

Average Publishing Time <=40 Days	
Average Publishing Time 40-50 Days	
Average Publishing Time >=50 Days	

Avg Days to Publish	33.00
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% Published Reports <=40 Days	71%
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## 7. Publish On-Site Audit

### Publish On-site within 65 days

# Published YTD	5
# of Reports Published in more than 65 Days	0

Average Publishing Time <=65 Days	
Average Publishing Time 65-75 Days	
Average Publishing Time >=75 Days	

Average Days to Publish	30.60
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% Published Reports <=65 Days	100%
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## 8. Publish Self-Cert, Periodic Data Submittals

### Publish Reports Within Alloted Timeframe

# Reports Published YTD	8
# Published On Time	8

Percentage Completed On Time	100%
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## 9. Incoming Processing

### Preliminary Screening of Potential Noncompliance Issues within 5 days

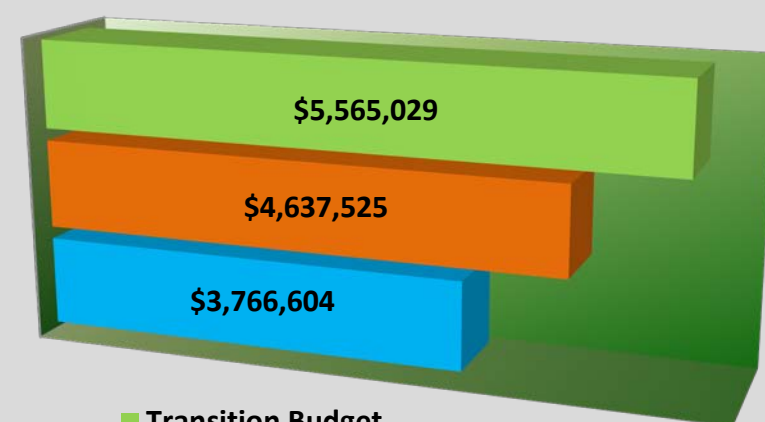
Issues Submitted	56
Reviews Completed within 5 Days	56

Percentage Completed within 5 Days	100%
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## 10. Budget Control

### Maintain Expenses within Budget

Budget Variance	-18.78%
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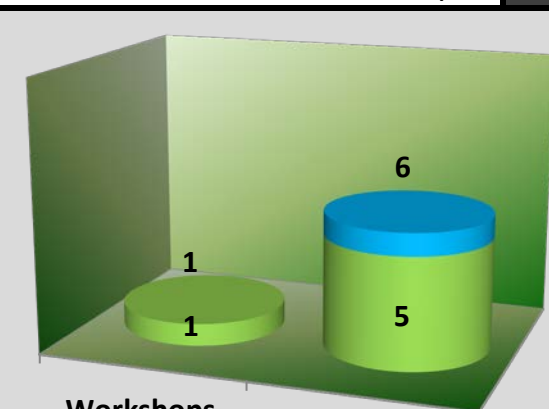


Transition Budget  
Current Budget  
Actual Cost

## 11. Outreach

### Complete 1 Workshop and 6 Newsletters in 2018

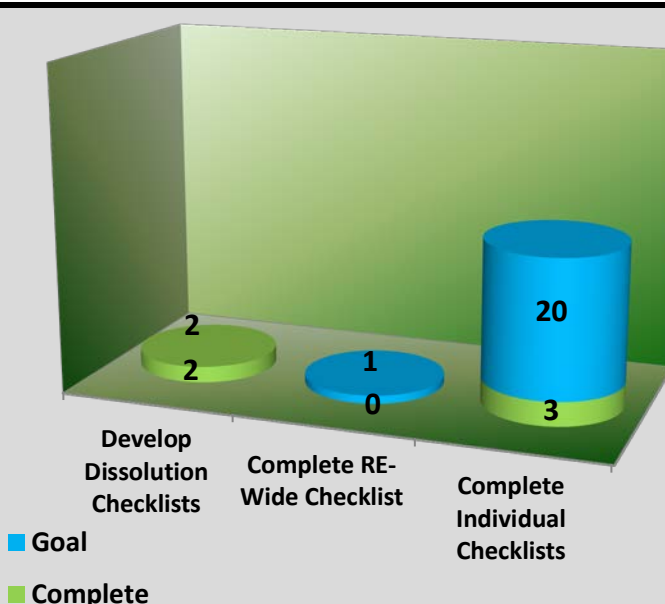
Newsletters	5
Workshops	1



Workshops  
Newsletters  
Goal Complete

## 12. Transition Close-Out

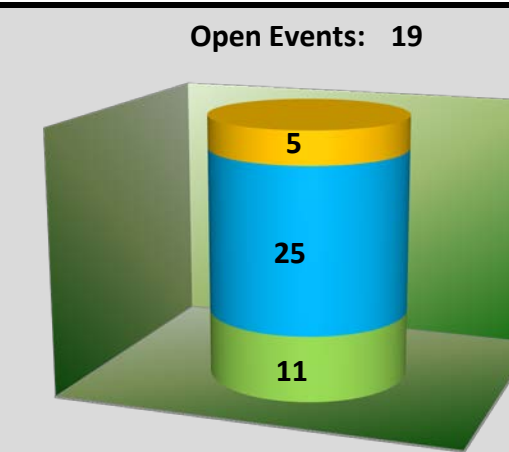
### Complete Checklists Before Dissolution Date



Develop Dissolution Checklists  
Complete RE-Wide Checklist  
Complete Individual Checklists  
Goal Complete

## 13. Close Out System Events

### Reduce Number of Open Events to 21



Closed Baseline Incoming  
Baseline is the Number of Open Events as of Jan 1, 2018

## 14. Dissolution Year Multiplier

### Based on 2018 Transition Year Accomplishment

Due at end of 2018 activities	120.00%
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