MEETING AGENDA

MRO Standards Committee Meeting

November 1, 2017
9:00 a.m. – 3:00 p.m.

WebEx Conference Call
VIDEO AND AUDIO RECORDING

Please note that Midwest Reliability Organization (MRO) may make a video and/or an audio recording of this MRO Standards Committee (SC) meeting for the purposes of making this information available to board members, members, stakeholders and the general public who are unable to attend the meeting in person.

By attending this meeting, I grant MRO:

1. Permission to video and/or audio record the MRO SC meeting including me; and
2. The right to edit, use, and publish the video and/or audio recording.
3. I understand that neither I, nor my employer, has any right to compensation in connection with the video and/or audio recording or the granting of this consent.
# MEETING AGENDA

MRO Standards Committee Meeting  
November 1, 2017 – 9:00 a.m. to 3:00 p.m. (CST)  
WebEx Conference Call

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>ACTION</th>
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</table>
| 1. Call to Order and Introductions  
Wayne Guttormson, MRO Standards Committee (MRO SC) Chair  
a. Determination of Quorum  
b. Standards of Conduct and Anti-Trust Guidelines  
c. Review of Robert’s Rules of Order  
d. Additions to the Agenda | Information |
| 2. Consent Agenda  
Review and approve Minutes from August 3 and September 21, 2017 MRO Standards Committee Meetings | Action Item |
| 3. MRO Standards Manager Report  
Russ Mountjoy, MRO Standards, Certification and Registration Manager | Discussion |
| 4. Standard Application Guides (SAG)  
a. CIP-010-2 SMET  
Russ Mountjoy, MRO Standards, Certification and Registration Manager  
b. MOD-025-1 SMET  
Russ Mountjoy, MRO Standards, Certification and Registration Manager  
c. MOD-033-1 Update  
Russ Mountjoy, MRO Standards, Certification and Registration Manager  
d. PRC-004-5(i)  
Russ Mountjoy, MRO Standards, Certification and Registration Manager  
e. PRC-005-6  
Russ Mountjoy, MRO Standards, Certification and Registration Manager | Discussion |
| 5. NERC Standards Review Forum (NSRF) Annual Report  
Joe DePoorter, NSRF Chair | Discussion |
| 6. Stakeholder Group Updates  
Mark Buchholz, MRO SC Vice Chair  
a. Mid Continent Compliance Forum  
b. SPP Reliability Compliance Workgroup | Discussion |
| 7. Standards Committee Appointments 2018  
Russ Mountjoy, MRO Standards, Certification and Registration Manager | Information |
| 8. Upcoming Events for 2018  
Dana Klem, MRO Standards, Certification and Registration Administrator | Information |
<table>
<thead>
<tr>
<th></th>
<th>Standards Committee List of Action Items</th>
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<tbody>
<tr>
<td></td>
<td><em>Dana Klem, MRO Standards, Certification and Registration Administrator</em></td>
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<td>Adjourn</td>
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# AGENDA 1

## Call to Order and Introductions

a. **Determination of Quorum**  
*Wayne Guttormson, MRO SC Chair*

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## 2017 MRO Standards Committee Roster

<table>
<thead>
<tr>
<th>Name</th>
<th>Sector</th>
<th>Term End</th>
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</thead>
<tbody>
<tr>
<td>Wayne Guttormson, Chair</td>
<td>Canadian Utility</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>Mark Buchholz, Vice Chair</td>
<td>Federal Power Marketing Agency</td>
<td>12/31/2019</td>
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<tr>
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<td>Transmission System Operator</td>
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<td>Mike Morrow</td>
<td>Transmission System Operator</td>
<td>12/31/2017</td>
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<tr>
<td>Robert Thompson</td>
<td>Investor Owned Utility</td>
<td>12/31/2019</td>
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<td>Todd Komplin</td>
<td>Municipal Utility</td>
<td>12/31/2017</td>
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<td>Open</td>
<td>Generator and/or Power Marketer</td>
<td>12/31/2019</td>
</tr>
<tr>
<td>Open</td>
<td>Municipal Utility</td>
<td>12/31/2018</td>
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AGENDA 1

Call to Order and Introductions

b. Standards of Conduct and Anti-Trust Guidelines

Wayne Guttormson, MRO SC Chair

Standards of Conduct Reminder:

Standards of Conduct prohibit MRO staff, committee, subcommittee, and task force members from sharing non-public transmission sensitive information with anyone who either is an affiliate merchant or could be a conduit of information to an affiliate merchant.

Anti-trust Reminder:

Participants in Midwest Reliability Organization meeting activities must refrain from the following when acting in their capacity as participants in Midwest Reliability Organization activities (i.e. meetings, conference calls, and informal discussions):

- Discussions involving pricing information; and
- Discussions of a participants marketing strategies; and
- Discussions regarding how customers and geographical areas are to be divided among competitors; and
- Discussions concerning the exclusion of competitors from markets; and
- Discussions concerning boycotting or group refusals to deal with competitors, vendors, or suppliers.
AGENDA 1

Call to Order and Introductions

c. Review of Robert’s Rules of Order

Wayne Guttormson, MRO SC Chair


Establishing a Quorum. In order to make efficient use of time at MRO Committee meetings, once a quorum is established, the meeting will continue, however, no votes will be taken unless a quorum is present at the time any vote is taken.

Motions. Unless noted otherwise, all procedures require a “second” to enable discussion.

<table>
<thead>
<tr>
<th>When you want to…</th>
<th>Procedure</th>
<th>Debatable</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Raise an issue for discussion</td>
<td>Move</td>
<td>Yes</td>
<td>The main action that begins a debate.</td>
</tr>
<tr>
<td>Revise a Motion currently under discussion</td>
<td>Amend</td>
<td>Yes</td>
<td>Takes precedence over discussion of main motion. Motions to amend an amendment are allowed, but not any further. The amendment must be germane to the main motion, and cannot reverse the intent of the main motion.</td>
</tr>
<tr>
<td>Reconsider a Motion already resolved</td>
<td>Reconsider</td>
<td>Yes</td>
<td>Allowed only by member who voted on the prevailing side of the original motion. Second by anyone.</td>
</tr>
<tr>
<td>End debate</td>
<td>Call for the Question or End Debate</td>
<td>No</td>
<td>If the Chair senses that the committee is ready to vote, he may say “if there are no objections, we will now vote on the Motion.” Otherwise, this motion is not debatable and subject to majority approval.</td>
</tr>
<tr>
<td>Record each member’s vote on a Motion</td>
<td>Request a Roll Call Vote</td>
<td>No</td>
<td>Takes precedence over main motion. No debate allowed, but the members must approve by majority.</td>
</tr>
<tr>
<td>Postpone discussion until later in the meeting</td>
<td>Lay on the Table</td>
<td>Yes</td>
<td>Takes precedence over main motion. Used only to postpone discussion until later in the meeting.</td>
</tr>
<tr>
<td>Postpone discussion until a future date</td>
<td>Postpone until</td>
<td>Yes</td>
<td>Takes precedence over main motion. Debatable only regarding the date (and time) at which to bring the Motion back for further discussion.</td>
</tr>
<tr>
<td>Remove the motion for any further consideration</td>
<td>Postpone indefinitely</td>
<td>Yes</td>
<td>Takes precedence over main motion. Debate can extend to the discussion of the main motion. If approved, it effectively “kills” the motion. Useful for disposing of a badly chosen motion that cannot be adopted or rejected without undesirable consequences.</td>
</tr>
<tr>
<td>Request a review of procedure</td>
<td>Point of order</td>
<td>No</td>
<td>Second not required. The Chair or secretary shall review the parliamentary procedure used during the discussion of the Motion.</td>
</tr>
</tbody>
</table>
Notes on Motions

**Seconds.** A Motion must have a second to ensure that at least two members wish to discuss the issue. The “seconder” is not required to be recorded in the minutes. Neither are motions that do not receive a second.

**Announcement by the Chair.** The Chair should announce the Motion before debate begins. This ensures that the wording is understood by the membership. Once the Motion is announced and seconded, the Committee “owns” the motion, and must deal with it according to parliamentary procedure.

**Voting**

<table>
<thead>
<tr>
<th>Voting Method</th>
<th>When Used</th>
<th>How Recorded in Minutes</th>
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<tbody>
<tr>
<td>Vote by Voice</td>
<td>The standard practice.</td>
<td>The minutes show Approved or Not Approved (or Failed).</td>
</tr>
<tr>
<td>Vote by Show of Hands (tally)</td>
<td>To record the number of votes on each side when an issue has engendered substantial debate or appears to be divisive. Also used when a Voice Vote is inconclusive. (The Chair should ask for a Vote by Show of Hands when requested by a member).</td>
<td>The minutes show both vote totals, and then Approved or Not Approved (or Failed).</td>
</tr>
<tr>
<td>Vote by Roll Call</td>
<td>To record each member’s vote. Each member is called upon by the Secretary, and the member indicates either “Yes,” “No,” or “Present” if abstaining.</td>
<td>The minutes will include the list of members, how each voted or abstained, and the vote totals. Those members for which a “Yes,” “No,” or “Present” is not shown are considered absent for the vote.</td>
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</table>

**Notes on Voting.**

**Abstentions.** When a member abstains, he is not voting on the Motion, and his abstention is not counted in determining the results of the vote. The Chair should not ask for a tally of those who abstained.

**Determining the results.** A simple majority of the votes cast is required to approve an organizational group recommendations or decision.

“**Unanimous Approval.**” Can only be determined by a Roll Call vote because the other methods do not determine whether every member attending the meeting was actually present when the vote was taken, or whether there were abstentions.

**Electronic Votes** – For an e-mail vote to pass, the requirement is a simple majority of the votes cast during the time period of the vote as established by the Committee Chair.

**Majorities.** Per Robert’s Rules, as well as MRO Policy and Procedure 3, a simple majority (one more than half) is required to pass motions.
AGENDA 1
Call to Order and Introductions

d. Additions to the Agenda
Wayne Guttormson, MRO SC Chair

Wayne Guttormson will ask web-meeting attendees for any additional items to the agenda.
Minutes of the Joint MRO Compliance and Standards Committee Meeting

MRO’s Offices and via WebEx Conference Call

August 3, 2017

1. Call to Order and Introductions
Standards Committee Chair Wayne Guttormson called the meeting to order at 9:00 a.m. and introductions made. Chair Guttormson welcomed meeting attendees.

a. Determination of Quorum, Standards of Conduct, and Anti-Trust Guidelines. Desirée Sawyer, MRO Compliance Administrator determined that a quorum was present. A complete list of attendees is included as Exhibit A.

b. Standards of Conduct, and Anti-Trust Guidelines. Pursuant to Policy and Procedure 4, MRO’s Standards of Conduct, Conflict of Interest and Anti-Trust Guidelines were presented.


d. Chair Guttormson noted there would be a few changes to the meeting agenda. MRO President and CEO Dan Skaar would be addressing the committees first, and MRO’s Vice President of Compliance Monitoring and Regulatory Affairs, Sara Patrick, would be taking Skaar’s original place on the agenda with a slightly revised topic.

2. SPP Regional Entity Update
MRO President and CEO Dan Skaar discussed the SPP Regional Entity (SPP RE) dissolution. Skaar explained that NERC will be sending letters to each of SPP RE’s registered entities. The letters will instruct each entity to identify their preference for a regional entity. Skaar stated that there are specific criteria that each entity will need to follow when making its decision.

Skaar walked through a presentation noting that MRO and SPP RE’s footprints have shared interests, membership, and geographic compatibilities. Discussion ensued.

Before moving on to the next agenda item, MRO CC Chair Mahmood Safi offered congratulations and wished good luck to Garth Ormiston who recently retired from SaskPower and will no longer be participating with the MRO CC. Safi welcomed Mike Smith, from Manitoba Hydro, as the new Canadian Sector representative.
3. **Compliance Monitoring Update**  
Rafik Halim, MRO Senior Compliance Engineer provided a Compliance Monitoring Update. Halim discussed the compliance oversight plans (COPs) including the current schedule to complete the COPs for all entities registered for the TOP, BA, RC functions by the end of 2018. Discussion ensued.

4. **Enforcement Update**  
Valerie Agnew, MRO Vice President of Enforcement provided an update on self-logging, and discussed the annual review of Compliance Exceptions and Find Fix Track Reports jointly conducted by FERC and NERC. Discussion ensued.

*Action Item: MRO Staff will reach out to MRO entities regarding self-logging.*

5. **Standards Manager Report**  
Russ Mountjoy, MRO Standards, Registration and Certification Manager, provided an update on the activities of the NERC SC referring meeting attendees to the MRO Standards Manager report. The NERC SC authorized the posting of two Reliability Standards; CIP-012-1: Cyber Security–Control Center Communication Networks and PRC-025-2: Generator Relay Loadability. The NERC SC appointed Periodic Review Drafting teams to review FAC-008-3: Facility Ratings, NUC-001-3: Nuclear Plant Interface Coordination and the family of Interchange Scheduling and Coordination Reliability Standards. The NERC SC approved the posting of two Standard Authorization Requests (SAR); Standards Alignment with Registration to address changes required as result of the Risk Based Registration initiative and CIP-014-3: Physical Security. Discussion ensued.

Mountjoy reminded the attendees that the next NERC SC meeting will take place at the MRO offices on September 6 and 7, 2017. Anyone interested in attending should register through the NERC website on the NERC Calendar,

*The committee recessed at 10:07 a.m. and reconvened at 10:20 a.m.*

6. **Achieving Our Strategic Objectives**  
Sara Patrick, MRO Vice President of Compliance Monitoring and Regulatory Affairs shared a presentation entitled “MRO’s CMEP Approach: A Ten-Year Retrospective and a Bright Future.” Patrick covered the history of MRO over the last ten years and explained the forward looking goals of MRO today. Patrick discussed how the MRO SC and CC support MRO’s strategic objectives.

7. **Potential Standard Application Guides (SAG)**  
MRO SC Member Joe Knight spoke about a Standard Application Guide (SAG) request submitted for CIP-010-2 baseline configuration, noting the challenge that registered entities have meeting the 35-day requirement.

*Upon motion duly made and seconded the Standards Committee approved the request to create a SAG for CIP-010-2.*
**Action Item:** MRO staff will send out a call for nominations for a CIP-010-2 subject matter expert team.

Knight discussed that the North American Transmission Forum (NATF) had a plan to draft a SAG for MOD-033-1. The MRO Planning Committee (PC) initially requested that the MRO SC draft a SAG for MOD-033-1; however, the request was retracted given that the NATF was creating a SAG. Discussion ensued. MRO Staff will reach out to the MRO PC to determine if there is still a need for the MOD-033-1 SAG they had initially requested.

**Action Item:** Russ Mountjoy will talk with the MRO PC to determine if there is continued desire or need for a SAG for MOD-033-1.

Brown spoke about PRC-019-2. Brown stated that there have been many high level conversations about PRC-019-2 and MOD-025-2. Brown stated that although PRC-024-2 is on the agenda, he will not be discussing PRC-024-2. Brown stated that no additional guidance is needed for PRC-024-2 as the standard is pretty straightforward.

Brown brought up talking points to help determine if a SAG for PRC-019-2 is needed. PRC-019-2 is currently written from the aspect of a synchronous generation resource and has created obstacles for the owners of asynchronous generation. Through attendance at other meetings, Brown has learned that wind generators are having a difficult time applying PRC-019. Discussion ensued.

**Action Item:** NSRF Chair DePoorter will poll the NSRF to determine if a SAG is necessary for PRC-019-2.

Brown also spoke about MOD-025-2 and asked if there is a need for a SAG. Brown explained that the issues are regarding asynchronous generation resources. Three specific issues were noted. First, the Verification Specifications do not specify the duration of time of testing for real and reactive power. Second, the Verification Specifications do not specify a Real Power generation amount for performing maximum Real Power and Reactive Power capability verifications. Lastly, the Verification Specifications exempt wind and photovoltaic from testing the maximum leading Reactive Power capability. Brown is not sure if there is a need for a SAG, but there is an opportunity for the transmission planners, those receiving the data from the asynchronous resources, to identify what they need for their models. Discussion ensued.

**Action Item:** NSRF Chair DePoorter will poll the NSRF to determine if a SAG is necessary for MOD-025-2.

**SC Member Bob Thompson left the meeting at 11:42 a.m.**

The Committees recessed for lunch at 11:47 a.m. and reconvened at 12:29 p.m.

8. **Annual Survey to MRO Primary Compliance Contacts**

Safi discussed that one of the goals for the MRO CC in 2017 is to conduct a survey of the MRO Primary Compliance Contacts (PCCs). Safi worked with MRO staff to review and
update the survey that was sent to PCCs in 2015. Safi reviewed each question of the survey and sought comment from the committee members. Discussion ensued.

*Action Item:* Safi and MRO staff will update the survey and distribute for review and electronic approval.

*Action Item:* MRO staff to send a PDF version of the MRO CC’s survey, with the electronic link.

9. **Compliance Committee Subgroup**
   Performance Risk Oversight Subcommittee (PROS) Chair, Joe DePoorter, provided an update on the PROS activities. The PROS has a goal to review and update the PROS Governance Risk Program document. The PROS reviewed the Department of Justice’s (DOJ) questionnaire on fraud resulting in minimal revisions to the document. DePoorter also mentioned that there have been a few calls with Patrick about the 2017 CMEP Conference this fall, regarding developing internal controls training.

10. **Standards Committee Subgroup Reports**
   NERC Standards Review Forum (NSRF) Report. NSRF Chair, Joe DePoorter, noted that even though the development of new and revised Reliability Standards has slowed down, the NSRF continues its efforts to reduce ambiguities. DePoorter discussed the importance of NERC staff participating in these calls to help provide clarity to the stakeholders. The NSRF will bring any issues or concerns, as they arise, to the MRO SC.

11. **NERC Reports**
   MRO CC Member, Terry Bilke, provided an overview of the full report that was included in the meeting agenda packet. Bilke noted that the CCC and the Regional Entities are reviewing changes to Section 500 of the Rules of Procedure. Bilke made a proposal to the CCC on how things might be streamlined for the Coordinated Functional Registration process. NERC is implementing a new data management tool for the Compliance Monitoring and Enforcement Program which will be implemented by all eight regions and NERC. The first module will deal with Coordinated Functional Registrations (CFRs). Bilke indicated that NERC is receiving and processing compliance guidance, so far 16 guidance documents have been endorsed. Additionally, Bilke noted that a NERC-led review panel has convened for entities that feel they should be removed from the NERC Compliance Registry or have requested a reduced set of Reliability Standards. NERC is also revising the guide on internal controls and the revised draft should be published in the near future. Bilke offered to share any identified regional inconsistencies with the CCC. Discussion ensued. Patrick shared that the Regional Consistency Tool has been transferred to NERC and NERC released a new area on its website for the ERO Enterprise Program Alignment Process.

12. **Stakeholder Group Updates:**
   a. Mid-Continent Compliance Forum (MCCF).
      Doug Brown, proxy for Mark Buchholz MRO CC and SC member, went over the report provided in the meeting agenda packet. The MCCF last met on May 25,
2017, in Bloomington, MN. Several topics were covered. The next meeting will take place on November 29, 2017, at the Embassy Suites in St. Paul, MN.

b. SPP Reliability Compliance Workgroup (SPP RCWG).
Doug Brown, proxy for Mark Buchholz MRO CC and SC member, went over the report provided in the meeting agenda packet. Brown outlined what the SPP RCWG does. He went on to state that the SPP RCWG last met on June 29, 2017 at SPP headquarters in Little Rock, AR. Several topics were covered. The next meeting will be August 28-29, 2017, at Kansas City Power and Light in Kansas, City, MO. The SPP RCWG is a function of the SPP RTO, not the SPP RE.

13. Upcoming Events for 2017
Desirée Sawyer reviewed MRO’s calendar of events outlining the upcoming Security Conference, Reliability Conference and CMEP Conference. Sawyer informed the committees that there will be overflow seating for the Security Conference in September, with more information to follow. Patrick shared information regarding the draft agenda for the November CMEP Conference, including: internal control presentations and a panel, key-note speaker from NERC, and FERC staff presenting on CIP audit experiences to date. Discussion ensued.

14. Other Business
Safi asked for an update regarding the submission of IRO-017 to the HERO’s email from MRO CC Vice Chair Terry Harbour. Harbour stated that he did submit a request for compliance guidance through the HERO’s e-mail. MRO has submitted the issue to the Operations and Planning Compliance Task Force (OPCTF) a working group under the NERC Compliance Monitoring Group (CMG). Once the answer comes back from the OPCTF, a pre-qualified organization, such as the MRO SC, can place the response in a document and submit it for ERO Enterprise endorsement. Discussion ensued.

Guttormson asked Mountjoy if there was any information regarding the timeline for the standard application guide for PRC-004-5(i). The guidance for Requirement 5 discusses corrective action plans. The SAG states, that if you have corrective action plans and you have components of the same type that need to be addressed and you do not put them in the plan, they do not have to be addressed before the corrective action plan is closed. FERC would like this addressed as they do not agree with the current language. Mountjoy has drafted some language, that is being vetted by NERC legal. If approved, it will be sent to the subject matter expert team for their approval. If they approve, then it will be sent to the MRO SC for approval. Upon receipt of all approvals, the SAG will be submitted as Implementation Guidance for ERO Enterprise endorsement.

Safi requested a review of the action items captured from this meeting. Discussion ensued.

15. Adjourn
Upon motion duly made and seconded, and having no further business to conduct, Chair Guttormson adjourned the meeting at 1:07 p.m.
Prepared by: Dana Klem, Committee Secretary.

Reviewed and Submitted by: Sara Patrick, MRO Vice President of Compliance Monitoring and Regulatory Affairs and Richard B. Burt, Vice President of Risk Assessment, Mitigation & Standards.
### Exhibit A – Meeting Attendees

<table>
<thead>
<tr>
<th>Committee Members Present</th>
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<tbody>
<tr>
<td><strong>Name</strong></td>
<td><strong>Sector</strong></td>
</tr>
<tr>
<td>Wayne Guttormson, Chair MRO SC</td>
<td>Canadian Utility</td>
</tr>
<tr>
<td>Mahmood Safi, Chair MRO CC</td>
<td>Omaha Public Power District</td>
</tr>
<tr>
<td>Terry Harbour, Vice Chair MRO CC</td>
<td>MidAmerican Energy Company</td>
</tr>
<tr>
<td>Doug Brown, Proxy for Mark Buccholz</td>
<td>Federal Power Marketing Agency</td>
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<td>Mike Smith</td>
<td>Canadian Utility</td>
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<tr>
<td>Terry Bilke</td>
<td>Transmissions System Operator</td>
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<td>Janell Johnson (WebEx)</td>
<td>Municipal Utility</td>
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<tr>
<td>Karen Demos (WebEx)</td>
<td>Generator and/or Power Marketer</td>
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<td>Michael Moltane (WebEx)</td>
<td>ITC Holdings</td>
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<tr>
<th>MRO Staff Present</th>
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<tbody>
<tr>
<td><strong>Name</strong></td>
<td><strong>Title</strong></td>
</tr>
<tr>
<td>Dan Skaar</td>
<td>President and CEO</td>
</tr>
<tr>
<td>Russ Mountjoy</td>
<td>Standards, Registration and Certification Manager</td>
</tr>
<tr>
<td>Sara Patrick</td>
<td>Vice President of Compliance Monitoring and Regulatory Affairs</td>
</tr>
<tr>
<td>Val Agnew</td>
<td>Vice President of Enforcement</td>
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<tr>
<td>Rafik Halim</td>
<td>Senior Compliance Engineer</td>
</tr>
<tr>
<td>Desiree Sawyer</td>
<td>Compliance Administrator</td>
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<tr>
<td>Adam Flink</td>
<td>Risk Assessment and Mitigation Engineer</td>
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<tr>
<td>Dana Klem</td>
<td>Standards, Registration and Certification Administrator</td>
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<tbody>
<tr>
<td><strong>Name</strong></td>
<td><strong>Organization</strong></td>
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<tr>
<td>Troy Brumfield</td>
<td>Allete</td>
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<tr>
<td>Jamie Monette</td>
<td>Minnesota Power</td>
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<tr>
<th>Other Committee Members Present</th>
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<tbody>
<tr>
<td><strong>Name</strong></td>
<td><strong>Organization</strong></td>
</tr>
<tr>
<td>Joe DePoorter</td>
<td>MRO PROS and NSRF</td>
</tr>
<tr>
<td>Tony Eddleman (WebEx)</td>
<td>MRO PROS</td>
</tr>
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</table>
The NERC Standards Committee (SC) met at MRO offices on September 7, 2017. Following are highlights from the meeting.

The SC elected its Chair and Vice Chair for 2018 to 2019. Andrew Gallo, City of Austin will assume the role of Chair, and Amy Casuscelli, Xcel Energy assumes the role of vice-chair.

Reliability Standards Efficiency Review. NERC has proposed a new initiative, the “NERC Standards Efficiency Review” which is similar to the paragraph 81 initiative, which took place in 2012. The ERO Enterprise, along with industry participants, will review requirements for potential retirement or modification in order to increase the efficiencies of the active standards. MRO hopes that regions also have an opportunity to provide input to this initiative, as a way of implementing the risk-based feedback to Standards that was envisioned as part of RAI. For example, MRO’s annual Performance Areas and IRA results could be used to identify administrative and low-risk requirements that could be candidates for retirement. MRO staff has made NERC aware of our desire to be involved in this initiative.

Establish and Communicate System Operating Limits. The SC authorized initial posting of the following Project 2015-09 Establish and Communicate System Operating Limits documents for a 45-day formal comment period with parallel initial ballots and non-binding polls on the Violation Risk Factors (VRFs) and Violation Severity Levels (VSLs) conducted during the last 10 days of the comment period.

- Reliability Standards FAC-011-4 System Operating Limits Methodology for the Operations Horizon Reliability Standard, FAC-014-3 Establish and Communicate System Operating Limits, and FAC-015-1 Coordination of Planning Assessments with the Reliability Coordinator’s SOL Methodology.
- Definition of System Voltage Limit (SVL) for inclusion in the Glossary of Terms Used in NERC Reliability Standards (“NERC Glossary”).

Implementation Plan associated with all the above was discussed.

Modification to CIP Standards. The SC authorized initial posting of proposed Reliability Standard CIP-002-6, its associated Implementation Plan, VRFs, and VSLs for a 45-day formal comment period with parallel initial ballot and non-binding poll on the VRFs and VSLs during the last 10 days of the comment period.
The proposed revisions address FERC Order No. 822 and considers the Version 5 Transition Advisory Group recommendations. The modifications also clarify the applicability of requirements to a Control Center that performs the functional obligations of a Transmission Operator, and establish a new Low Impact Cyber System category for small Control Centers.

**Request for Interpretation (RFI) of FAC-002-2**. The SC rejected the RFI of FAC-002-2, submitted by Southwest Power Pool (SPP), and will provide a written explanation to SPP within 10 business days of the decision. The RFI submitted by SPP requests clarification of FAC-002-2 Requirement R1. Requirement R1 specifies that “Each Transmission Planner and each Planning Coordinator shall study the impact of: (i) interconnecting new generation, transmission, or electricity end-user Facilities and (ii) materially modifying existing interconnections of generation, transmission, or electricity end-user Facilities.” SPP was seeking clarification that FAC-002-2 Requirement R1 does not require duplicate studies of the same interconnecting facilities by both entities if they agree to use one study. The NERC SC concluded that the record of development for FAC-002-1 and FAC-002-2 addresses this issue, providing support for the understanding that the requirement allows for one study to be performed, provided that all parties have an opportunity to participate.

**Reliability Standards Development Plan (RSDP)**. The SC endorsed the 2018-2020 RSDP. The draft 2018-2020 RSDP focuses on periodic reviews, Federal Energy Regulatory Commission directives, emerging risks, Standard Authorization Requests, and the standards grading initiative. The RSDP also includes time frames and anticipated resources for each project under development, and considerations for cost effectiveness. A draft RSDP was circulated for SC comment from May 15-22, 2017. Language addressing NERC Standards Oversight and Technology comments on Reliability Standards efficiency review is included. An industry comment period was conducted from June 26, to July 25, 2017.

** Implementation Guidance and Technical Rationale for Standards**

Over the past 10 years the Reliability Standards template has evolved from just the standard, to also include Guidelines and Technical Basis (together “GTB”). The GTB has aided stakeholders in the implementation and application of the standards by not only providing the Standard Drafting Team’s (SDT) technical basis for the requirements, but also occasionally providing example approaches to compliance.

At the **August 9, 2017 NERC Board of Trustees** meeting, NERC announced that, based on input from stakeholders, a determination was made, to remove the GTB from existing and future Reliability Standards given that the ERO Enterprise has now implemented a **Compliance Guidance Policy** (see Midwest Reliability Matters November/December 2016 issue for more details on the Compliance Guidance Policy).

Information previously found in the GTB, will now be provided in either the Implementation Guidance, or a new document called Technical Rationale.

1) **Implementation Guidance**: NERC staff will coordinate a review of existing GTB to ensure Compliance Guidance language is not carried forward into the new Technical Rationale for the Standard. The Compliance Guidance process will be used to document example approaches to compliance.
2) **Technical Rationale:** Working with NERC staff, the NERC Standards Committee (SC) leadership recently developed the Technical Rationale in Reliability Standards document in order to provide clarity regarding the rationale used to develop the standard. The Technical Rationale will be a stand-alone document focusing on the basis for the Reliability Standard and will avoid addressing guidance regarding the implementation of the standard.

Going forward, the Reliability Standard, Compliance Guidance, and Technical Rationale will all be stand-alone documents.

**FERC Order No. 836**

The Federal Energy Regulatory Commission (FERC) issued Order No. 836 on September 20, 2017, which approved two Reliability Standards, **BAL-005-1 – Balancing Authority Control** and **FAC-001-3 – Facility Interconnection Requirements**. In conjunction with the approval, FERC approved the retirement of Reliability Standards **BAL-005-0.2b – Automatic Generation Control**, **FAC-001-2 Facility Interconnection Requirements**, and **BAL-006-2 – Inadvertent Interchange**. The anticipated effective date of the implementation of these new Reliability Standards is October 1, 2018.

BAL-005-1 only applies to Balancing Authorities (BA); Generator Operators (GOP) and Transmission Operators (TOP) have been removed from the applicability of the standard. The obligation of ensuring all loads and facilities are within the metered boundaries of a BA have been moved to FAC-001-3. The obligation of BAs to scan data at least once every six seconds remains, and the systems to calculate Area Control Error (ACE) must be available 99.95% of the time. This requirement regarding the availability of the systems to calculate ACE led to the elimination of the requirement for BAs to provide adequate and reliable backup power supplies. If a BA cannot calculate its ACE for more than 30 consecutive minutes must notify the Reliability Coordinator within 45 minutes of its inability to calculate its ACE. BAs must have an operating process in place to identify and mitigate errors affecting the accuracy of data used in the calculation of Reporting ACE and provide the operator with data quality flags.

In its filing to FERC, NERC described requirements R1, R2, R4, and R5 of BAL-006-2 as, ““energy accounting standards” and/or are “administrative” in nature, and should be retired.” Requirement R3 requiring common metering points was moved to BAL-005-1.

**FERC Order No. 837**

The Federal Energy Regulatory Commission (FERC) issued Order No. 837 on September 20, 2017, which approved Reliability Standard, **PRC-012-2 – Remedial Action Schemes**. In conjunction with the approval, FERC approved the retirement of Reliability Standards **PRC-015-1 Remedial Action Scheme Data and Documentation**, and **PRC-016-1 – Remedial Action Scheme Misoperation** as well as NERCs request to withdraw propose Reliability Standards **PRC-012-1 – Special Protection System Review Procedure**, **PRC-013-1 – Remedial Action Scheme Database** and **PRC-014-1 – Remedial Action Scheme Assessment** which were pending approval at FERC. The anticipated effective date is October 1, 2020.
The purpose of PRC-012-2 is, “To ensure that Remedial Action Schemes (RAS) do not introduce unintentional or unacceptable reliability risks to the Bulk Electric System (BES).” The standard combines all effective and pending requirements from the current and pending RAS-related standards into the nine requirements of the standard. PRC-012-2 applies to Reliability Coordinators (RC), Planning Coordinators (PC) and “RAS-entity[ies] – the Transmission Owner, Generator Owner or Distribution Provider that owns all or part of a RAS.”

RCs are expected to review all RAS and provide feedback to RAS entities regarding any concerns they have identified during a review of each system. The RC is also expected to maintain and update a RAS database. The PC is required to perform evaluations at least once every 5 years of each RAS in its planning area. The RAS entity is required to submit information related to each RAS to the RC and resolve concerns identified by the RC. In the event of an operation of the RAS or failed operation, the RAS entity shall perform an analysis of the operation to determine if the RAS performed as expected and was effective. Upon completion of the analysis, if necessary, the RAS entity shall develop and implement a Corrective Action Plan (CAP) to resolve any issues. Additionally, RAS entities are required to perform functional tests of each scheme.
AGENDA 4
Standard Application Guides (SAG)

a. CIP-010-2 SMET
Russ Mountjoy, MRO Standards, Certification and Registration Manager

b. MOD-025-1 SMET
Russ Mountjoy, MRO Standards, Certification and Registration Manager

c. MOD-033-1 Update
Russ Mountjoy, MRO Standards, Certification and Registration Manager

d. PRC-004-5(i)
Russ Mountjoy, MRO Standards, Certification and Registration Manager

e. PRC-005-6
Russ Mountjoy, MRO Standards, Certification and Registration Manager
AGENDA 5
NERC Standards Review Forum (NSRF) Report
Joe DePooter, NSRF Chair

Date: November 1, 2017

To: MRO Standards Committee

From: Joseph DePooter, NERC Standards Review Forum Chair

Subject: MRO NERC Standards Review Forum Status Report

Action: None

Mr. Chair,

The NSRF continues to hold a weekly one-hour conference call to discuss NERC Reliability Standards that are either under development or current Reliability Standards that are being updated. The NSRF has received positive feedback from both members and guests that attend our calls. We have been averaging about 25 people per call and have updated our Conference call abilities to allow up to 96 people on our calls, we periodically have over 50 people a call.

The NSRF has been receiving requests from NERC Standards Development Staff and Project Drafting Team members to brief the NSRF on the status of the current Projects under development. We view this as MRO’s voice being heard, with the Project Staff looking for support from the NSRF. We will continue to have all Project Staff brief the NSRF on the status of their Projects.

With the large amount of FERC approved Standards with multiple enforcement dates, the NSRF now has the following link on the MRO web page to assist MRO members.

The NSRF has 14 official members (with 3 open seats) receiving NSRF member e-mails (mronsrf@midwestreliability.org) and 139 people on our guest exploder list (mronsrf-plus@midwestreliability.org). The number of comments submitted by the NSRF in 2017 is 15. The number of ballot recommendations made by the NSRF in 2017 is 11. Even if MRO members are not directly involved in the NSRF process, they will still receive our written comment forms and balloting recommendations.

The NSRF continues to pool limited resources from MRO member companies in order to review proposed NERC Reliability Standards. Upon completion of review, the NSRF usually has built a consensus around all NSRF members and guest.
Date: November 1, 2017
To: MRO Standards Committee
From: Mark Buchholz, MCCF Member
Subject: MCCF Steering Committee Report
Action: Information Only

Dear MRO Standards Committee:

MCCF Steering Committee Report

The Mid-Continent Compliance Forum (MCCF) provides Registered Entities in the Midwest portion of the Eastern Interconnection a venue to share knowledge, lessons learned and best practices regarding compliance matters. The MCCF Steering Committee is established to coordinate MCCF meetings, develop meetings agendas, and communicate on compliance matters and actions by MCCF members. MCCF Steering Committee meets monthly via conference call or WebEx.

Since the last Committee Meeting, the MCCF Steering Committee met on August 16, 2017, September 6, 2017, and October 11, 2017.

Fall 2017 MCCF Forum Meeting scheduled for November 29, 2017 at the Embassy Suites in St. Paul, MN. Topics will include member audit experiences, and open discussions on compliance oversight plans and inherent risk assessments; SPP RE dissolution, GridEx IV, FAC-008, FAC-003-4 Guided Self-Certification; and upcoming new/revised Reliability Standards. There will be afternoon breakout sessions for Operations/Planning and CIP.

SPP Reliability Compliance Workgroup Report

The SPP Reliability Compliance Workgroup (RCWG) provides guidance on policy issues to the SPP RTO on reliability compliance activities of federal or regional regulators, or committees. It also provides expertise to other SPP Working Groups on membership issues related to regional compliance matters specific to execution, interpretation or implementation of federal or regional regulatory requirements. The RCWG provides a stakeholder forum to encourage membership discussion of regional compliance issues and provide a means to communicate collectively membership concerns or issues with SPP RTO Compliance staff on matters of NERC Reliability Standards Compliance.
The SPP RCWG last met on August 28-29, 2017 at Kansas City Power and Light in Kansas City, MO. Next meeting will be October 26-27 in Dallas, TX.

Topics included:

Revisions to the SPP Planning Criteria with regard to how SOLs are determined and utilized in the Operating Horizon. Revision Request was approved by the SPP RCWG.

Continued discussion on the SPP Criteria Revisions for Phasor Measurement Units (PMUs), the SPP PMU Guidance Document, and PMU installation requirements for new generation equal to, or greater than 50 MW and potential CIP and TOP compliance implications for PMU utilization for real time monitoring and assessments.

The North American Synchro Phasor Initiative (NAPSI) has developed a draft set of recommendations for how to implement CIP version 5 for synchro phasor systems. NAPSI will be submitting these recommendations to NERC for compliance guidance approval.

https://www.naspi.org/node/663

SPP Misoperations Summit was held October 19, 2017 in Kansas City, MO. Additional details available on the SPP Website.

Much informal discussion on the SPP RE dissolution. A number of SPP members have expressed interest in registering with MRO and will be submitting their preferences to NERC at the end of October.

Respectfully Submitted,

Mark E. Buchholz
Western Area Power Administration
### AGENDA 7

**Standards Committee Roster 2018**

<table>
<thead>
<tr>
<th>Name</th>
<th>Sector</th>
<th>Term End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayne Guttormson, Chair</td>
<td>Canadian Utility</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>Mark Buchholz, Vice Chair</td>
<td>Federal Power Marketing Agency</td>
<td>12/31/2019</td>
</tr>
<tr>
<td>David Rudolph</td>
<td>Cooperative</td>
<td>12/31/2019</td>
</tr>
<tr>
<td>George Brown</td>
<td>Generator and/or Power Marketer</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Joe Knight</td>
<td>Cooperative Utility</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Lori Frisk</td>
<td>Investor Owned Utility</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Michael Moltane</td>
<td>Transmission System Operator</td>
<td>12/31/2019</td>
</tr>
<tr>
<td>Mike Morrow</td>
<td>Transmission System Operator</td>
<td>12/31/2020</td>
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<tr>
<td>Robert Thompson</td>
<td>Investor Owned Utility</td>
<td>12/31/2019</td>
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<td>Eric Ruskamp</td>
<td>Municipal Utility</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>Mary Polk</td>
<td>Generator and/or Power Marketer</td>
<td>12/31/2019</td>
</tr>
<tr>
<td>Steven Nyhus</td>
<td>Municipal Utility</td>
<td>12/31/2020</td>
</tr>
</tbody>
</table>
## Upcoming Events for 2017

*Date of Event* | *Event* 
---|---
10/24/2017 | MRO Planning Committee 
10/25/2017 | MRO Reliability Conference 
10/26/2017 | MRO Operating Committee 
10/31/2017 | MRO Compliance Committee 
11/1/2017 | MRO Standards Committee 
11/28/2017 | MRO CMEP Conference 
11/30/2017 | MRO Board of Directors Open Meeting 

## Upcoming Events for 2018

*Date of Event* | *Event* 
---|---
2/21/18 | MRO Compliance Committee 
2/22/18 | MRO Standards Committee 
3/13/18 | MRO Operating Committee 
3/14/18 | MRO Planning Committee 
3/15/18 | MRO Security Advisory Council Meeting 
4/5/18 | MRO Board of Directors Open Meeting 
5/2/18 | MRO Compliance Committee 
5/3/18 | MRO Standards Committee 
5/22/18 | MRO Operating Committee 
5/23/18 | MRO Reliability Conference 
5/24/18 | MRO Planning Committee 
5/31/18 | MRO Security Advisory Council 
6/21/18 | MRO Board of Directors Open Meeting 
8/7/18 | MRO Operating Committee 
8/8/18 | MRO Planning Committee 
8/30/18 | MRO Joint Compliance and Standards Committee 
10/4/18 | MRO Board of Directors Open Meeting 
10/17/18 | MRO Compliance Committee WebEx 
10/18/18 | MRO Standards Committee WebEx 
10/23/18 | MRO Planning Committee 
10/24/18 | MRO Reliability Conference 
10/25/18 | MRO Operating Committee 
11/8/18 | MRO Security Advisory Council 
11/29/18 | MRO Board of Directors Open Meeting
# AGENDA 9

## Standards Committee List of Action Items

*Dana Klem, MRO Standards, Certification, and Registration Administrator*

### Standards Committee List of Action Items

<table>
<thead>
<tr>
<th>Action Item Number</th>
<th>Responsible Party</th>
<th>Description of Action Item</th>
<th>Brief Description of Action Taken</th>
<th>Due Date</th>
<th>Date Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-007</td>
<td>PRC-004-5</td>
<td>PRC-004-5 to NERC for ERO approval</td>
<td>Pending ERO endorsement</td>
<td>2016</td>
<td></td>
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<tr>
<td>2016-008</td>
<td>GB, LF, MM</td>
<td>Charter Revisions</td>
<td>Revise MRO SC, NSRF and SMET charters for security changes</td>
<td>Q4 SC meeting</td>
<td>9/17</td>
</tr>
<tr>
<td>2017-001</td>
<td>JK, MC</td>
<td>CIP-010 requirements</td>
<td>Develop SAG</td>
<td></td>
<td></td>
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<tr>
<td>2017-002</td>
<td>GB</td>
<td>Possible application guidance for PRC-019</td>
<td>Will submit a SAG request for PRC-019 and MOD-025</td>
<td>8.3.17</td>
<td>9/17</td>
</tr>
<tr>
<td>2017-003</td>
<td>MRO</td>
<td>MRO Staff provide links to Standards Guidance and Case Notes on MRO website to MRO Standards Committee</td>
<td>Link provided</td>
<td>4/27/17</td>
<td>4/17</td>
</tr>
<tr>
<td>2017-004</td>
<td>MRO</td>
<td>MRO Staff will provide 2016 CMEP Conference Agenda. MRO SC to provide input for 2017 CMEP Conference Agenda.</td>
<td>Agenda provided</td>
<td>5/5/17</td>
<td>5/17</td>
</tr>
<tr>
<td>2017-005</td>
<td>MRO</td>
<td>MOD-025</td>
<td>SMET team will be developed</td>
<td>10/13/17</td>
<td></td>
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</table>

### Recurring Action Items

<table>
<thead>
<tr>
<th>Responsible Party</th>
<th>Description of Action Item</th>
<th>Brief Description of Action Taken</th>
<th>Due Date</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRO SC and Staff</td>
<td>Review most frequently violated standards</td>
<td>The MRO SC will review the most frequently violated standards during their quarter 1 meetings.</td>
<td>Annually Q1</td>
<td>1/31/17</td>
</tr>
<tr>
<td>GB, LF, MM</td>
<td>Charter Revisions</td>
<td>Revise MRO SC, NSRF and SMET charters for security changes</td>
<td>Q4 SC meeting</td>
<td>7/17</td>
</tr>
<tr>
<td>MRO SC</td>
<td>Review MRO’s annual Goals</td>
<td>Review MRO’s annual goals and determine which goals to support during the calendar year.</td>
<td>Annually Q4</td>
<td></td>
</tr>
<tr>
<td>MRO SC and Staff</td>
<td>Upcoming Elections</td>
<td>Discussion in quarter 3 regarding expiring committee seats.</td>
<td>Annually Q3</td>
<td>10/17</td>
</tr>
</tbody>
</table>
AGENDA 10

Adjourn