

Southwest Power Pool, Inc.
OVERSIGHT COMMITTEE MEETING
July 24, 2018
Teleconference

• M I N U T E S •

Executive Session 1

Agenda Item 1 – Call to Order/Administrative Items

Josh Martin called the meeting to order in executive session at 11:05 AM. Members in attendance included: Bruce Scherr (Director), Harry Skilton (Director), Graham Edwards (Director), and, Phyllis Bernard (Director). SPP staff in attendance included Nick Brown, Barbara Sugg, Sam Ellis, Paul Suskie, Carl Stelly, Erin Cullum-Marcussen, Lauren Krigbaum, Keith Collins and Barbara Stroope.

Bruce Scherr moved and Phyllis Bernard seconded adoption of the June 11, 2018 Oversight Committee meeting minutes, which were unanimously accepted (Minutes 6/11/2018 – Attachment 1).

Agenda Item 2 – Action Items Report

Michael Desselle provided a status report on the follow-up action items. He reported that the FERC had closed out (with no penalty) the Good Catch on Collateral Reconciliation matter. He reported that staff had distributed the final GridEx report link to OC members and that the Director of Risk Management will ensure MMU inclusion in future EMBC and/or GridEx exercises.

Agenda Item 3 – Internal Audit Activity Report

Lauren Krigbaum noted for the Committee that the Internal Audit department is fully staffed. Her report consisted of three matters: an updated 2017-2018 Audit Schedule; the 2018-2019 Proposed Annual Audit Schedule; and, reports on audits/assessments completed since the April Oversight Committee meeting. Lauren noted that three (3) audits are being rescheduled to later in 2018 (4th Quarter). Lauren indicated the audits that are rescheduled are: the Revision Request review; the Software Licensing CSA; and, the Security Awareness review. The Committee offered no suggested modifications or additions to the proposed 2018-19 annual audit work plan. Finally, Lauren provided summary reports on 4 completed audits (Application Access, Board and Officer Expense reporting, and, Off-We-Go's fixed cost reimbursement *and* aircraft ownership cost review).

Agenda Item 4 – Security Activity Report and CIP Audit Interim Report

Sam Ellis discussed key cyber metrics. Sam and Barbara Sugg, both, responded to Committee member questions regarding current day press reports of Russian state-sponsored hacking of electric utilities.

Carl Stelly, Barbara Sugg, and Erin Cullum provided a verbal report on the status of NERC's CIP audit currently underway.

Agenda Item 5 – MMU Activity Reports

Keith Collins provided his activity report and noted for the Committee: current staffing levels; recent FERC interactions; and, market surveillance and reporting activities (including, reports on the 2017 Annual State of the Market report to FERC, SPP market participants, SPP staff, the Energy Information Administration and the Iowa Utilities Board). Finally, Keith reported on other MMU activities and noted that the MMU staff is performing monthly lunch-n-learn sessions on various market topics. He also discussed State commission outreach and responded to Committee member inquiries regarding those outreach efforts.

Agenda Item 6 – Action Items

Action items are:

- Staff to share and review memorialized process changes resulting from the Board and Officer expense reporting audit;

- Staff to extend open invitation to RSC for MMU education opportunities; and,
- MMU Staff to circulate to the OC members, the MMU's "Negative Prices in the SPP Market" paper.

Agenda Item 6 – Future Meetings

The Committee discussed the remaining 2018 meeting dates and potential changes to the 2019 meeting schedule.

Executive Session 2

Josh Martin called Executive Session 2 to order at 12:35 PM. MMU staff in attendance included: Barbara Stroope and Keith Collins. The Committee met in Executive Session with MMU staff only and discussed **Administrative and Action Items (Agenda Item 8)**, and **Other MMU matters (Agenda Item 9)**.

Adjournment

Josh Martin adjourned the meeting at 2:50 PM.

Respectfully Submitted,

Michael Desselle



Southwest Power Pool, Inc.
OVERSIGHT COMMITTEE MEETING

July 24, 2018
Conference Call

• A G E N D A •

11:00 AM – 3:00 PM CDT

Executive Session Oversight Committee and RTO Staff

- 1. Call to Order/Administrative Items Josh Martin
- 2. Action Items Report..... Michael Desselle
- 3. Internal Audit Activity Report..... Lauren Krigbaum
- 4. Security Activity Report & CIP Audit Interim Report Barbara Sugg/Carl Stelly
- 5. MMU Activity Report..... Keith Collins
- 6. Action Items..... Michael Desselle
- 7. Future Meetings Josh Martin

2018

Monday, October 29, 2018 – SPP Little Rock

Monday, December 3, 2018 – SPP Little Rock

2019

TBD

Executive Session 2 (OC Members & MMU only)..... Oversight Committee & MMU Secretary

- 8. Administrative Items/Action Items Report Barbara Stroope
- 9. Other MMU Matters..... Keith Collins

Antitrust: SPP strictly prohibits use of participation in SPP activities as a forum for engaging in practices or communications that violate the antitrust laws. Please avoid discussion of topics or behavior that would result in anti-competitive behavior, including but not limited to, agreements between or among competitors regarding prices, bid and offer practices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that might unreasonably restrain competition.

Southwest Power Pool, Inc.
OVERSIGHT COMMITTEE MEETING
June 11, 2018
SPP Corporate Campus, Little Rock, AR

• M I N U T E S •

Executive Session 1

Agenda Item 1 – Call to Order/Administrative Items

Josh Martin called the meeting to order in executive session at 7:00 AM. Members in attendance included: Bruce Scherr (Director), Harry Skilton (Director), Graham Edwards (Director), and Phyllis Bernard (Director). Additional Board members in attendance included Mark Crisson, Julian Brix, Nick Brown and Jim Eckelberger. SPP Staff in attendance included Barbara Sugg and Scott Smith.

Graham Edwards moved and Harry Skilton seconded adoption of the April 23, 2018 Oversight Committee meeting minutes, which were unanimously accepted (Minutes 4/23/2018 – Attachment 1).

Agenda Item 2 – Action Items Report

Michael Desselle provided a status report on the follow-up action item (Good Catch on Collateral Reconciliation). Noting that the legal department was continuing to evaluate the matter, the OC asked staff to retain the action item for the next meeting.

Agenda Item 3 – Business Continuity Plan/Assessment Report

Scott Smith presented to the Committee his update on SPP's Emergency Management and Business Continuity efforts. He described for the Committee the recent power failure event as well as several recent severe weather events dating back to December, 2017. Scott apprised the Committee on SPP's participation in NERC's fall 2017 GridEx exercise; including, SPP's role, successes and lessons learned. Scott described SPP's continuing evolution of its Continuity of Operations Plans. He noted that a Hazard Vulnerability Analysis formed the basis of departmental plans and that the next NERC GridEx exercise likely will focus on such continuity plans. In response to questions raised by Mr. Scherr regarding the Market Monitoring Unit (MMU) engagement in these exercises, Scott accepted an action item to inform and engage Keith Collins to ensure that the MMU has a role in the future.

Executive Session 2

Josh Martin called Executive Session 2 to order at 7:45 AM. MMU staff in attendance included: Barbara Stroope and Keith Collins. The Committee met in Executive Session with MMU staff only and discussed **Administrative and Action Items (Agenda Item 4)**, and **Other MMU matters (Agenda Item 5)**.

Executive Session 3

Agenda Item 6 – Security Update

Sam Ellis presented his cyber-security update and discussed key cyber metrics. Sam and Barbara Sugg, both, responded to Committee member questions regarding measures associated with phishing attempts. Sam reported to the OC that SPP is now participating in DOE's CRISP program.

Agenda Item 7 – Quarterly Activity Reports

Lauren Krigbaum shared Internal Audit's mid-year 2018 departmental budget forecast and fiscal year 2019 budget forecast.

Keith Collins shared the MMU's mid-year 2018 departmental budget forecast and fiscal year 2019 budget forecast.

Carl Stelly presented his quarterly Compliance department activity report. He provided updates on: departmental staffing; mid-year 2018 department budget forecast and 2019 department budget forecast; the status of NERC's impending CIP audit; open enforcement matters; and, an in-depth analysis of "self-reports".

Agenda Item 8 – Action Items

Action items are:

- Staff to apprise Committee on status of collateral reconciliation self-report;
- Staff to send final GridEx report link to OC members; and,
- Staff to ensure MMU inclusion in future EMBC and/or GridEx exercises.

Agenda Item 6 – Future Meetings

The Committee discussed 2018 meeting dates.

Adjournment

Josh Martin adjourned the meeting around noon.

Respectfully Submitted,

Michael Desselle