

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**October 28, 2019**  
**SPP Corporate Campus**

• M I N U T E S •

**Executive Session 1**

**Agenda Item 1 – Call to Order/Administrative Items**

Josh Martin called meeting to order at 8:00 AM. Members in attendance included: Graham Edwards (Director); Darcy Ortiz (Director); and, Phyllis Bernard (Director). Bruce Scherr (Director) also attended in person. SPP staff in attendance included Barbara Sugg, Sam Ellis, Carl Stelly, and Erin Cullum Marcussen (Attendance – Attachment 1). Graham Edwards moved and Darcy Ortiz seconded adoption of the July 29, 2019 Oversight Committee minutes, the August 21 conference call minutes and the October 9 conference call minutes, which were unanimously accepted (Minutes 7/29/2019, Minutes 8/21/2019, Minutes 10/9/2019 – Attachment 2, 3 & 4).

**Agenda Item 2 – Action Items Report**

Michael Desselle provided a status report on the follow-up action items.

**Agenda Item 3 – Update on Current Activities**

**Compliance**– Carl Stelly provided a written status report on departmental staffing, quarterly activities and open enforcement actions status. He further presented to the Committee a timeline graphic depicting the history of SPP self-reports and audit findings adjudication and resolutions to date. The Committee reviewed and discussed these statistics. Further, Carl apprised the Committee of the impending transition to MRO.

The Committee also discussed the Compliance metric recommendation to the Human Resources Committee (HRC). Josh noted that OC had developed a holistic view of SPP overall staff compliance to be measured in a given year that includes NERC standards and audits (both internal and external, financial and controls). This approach would yield a qualitative metric to be used by the HRC in assessing staff as part of its annual performance compensation assessment.

**Security** - Sam Ellis provided the quarterly cyber-security update. He briefed the Committee on recent cyber-related emerging threats and trends (both cyber and physical). Sam reviewed the quarterly cyber metrics.

**Agenda Item 4 – OC 2018 Self-Assessment**

The OC asked that staff draft for endorsement later 2018-2019 major accomplishments and pending issues before the group (Org Group Self-Assessment – Attachment 5).

**Agenda Item 5 – Action Items**

Action items are:

- Staff to inquire and determine if any compliance-related calls were made to Employee Hotline during the year;
- Reschedule final OC meeting for the year;
- Reschedule security update on NERC CIP reporting changes;
- Inquire about necessary resources to improve controls environment at SPP;
- Security update on resolution of email exploder matter;
- Security staff to evaluate secure messaging and document portal for Board materials; and
- Staff to draft OC Org Group self-assessment accomplishments and pending matters.

**Agenda Item 6 – OC 2020 Draft Annual Work Plan and Future Meetings**

The Committee reviewed the 2020 work plan and discussed rescheduling the remaining 2019 meeting to a web-conference enabled call.

**Executive Session 2 (OC Members and MMU Only)**

**Call to Order/Administrative Items**

Josh Martin called executive session 2 to order at 10:10 AM. Members in attendance included: Graham Edwards (Director), Darcy Ortiz (Director) and, Phyllis Bernard (Director). Bruce Scherr (Director) also attended in person. MMU staff in attendance included: Keith Collins, Jodi Woods, John Luallen and Greg Sorensen (Attendance – Attachment 1).

**Agenda Item 7 – Action Items Report**

Jodi Woods provided an action items report.

**Agenda Item 8 – Other MMU Matters**

The Committee discussed other MMU matters.

**Adjournment**

Josh Martin adjourned Executive Session 2 at 1:00 PM.

Respectfully Submitted,

Michael Desselle



**SOUTHWEST POWER POOL, INC.  
OVERSIGHT COMMITTEE MEETING**

**October 28, 2019  
SPP Corporate Campus – Little Rock, AR**

**AGENDA**

Executive Session 1 (Visitors Excluded)..... Oversight Committee and RTO Staff (8:00 – 9:45)

- 1. Call to Order/Administrative Items ..... Josh Martin (8:00 – 8:05)
- 2. Action Items Report..... Michael Desselle (8:05 – 8:10)
- 3. Update on Current Activities
  - Compliance Carl Stelly (8:10 – 8:30)
  - Security Update Sam Ellis (8:30 – 9:15)
- 4. OC 2018 Self-Assessment..... Josh Martin (9:15 – 9:25)
- 5. Action Items..... Michael Desselle (9:25 – 9:30)
- 6. OC 2020 Draft Annual Work Plan and Future Meetings..... Josh Martin (9:30 – 9:40)

2019

Tuesday, December 3, 2019 9AM – 3PM DFW AAdmirals Club

2020

Monday, January 27, 2020 7AM – 1PM Santa Fe, NM

Monday, April 13, 2020 8AM – 3PM SPP, Little Rock

Monday, July 27, 2020 7AM – 1PM Rapid City, SD

Monday, October 26, 2020 7AM – 1PM SPP, Little Rock

December 2020 TBD

Executive Session 2 (OC Members & MMU only)<sup>1</sup>...Oversight Committee and MMU (10:00 – 1:00)

- 7. Action Items Report.....Jodi Woods (10:00 –10:05)
- 8. Other MMU Matters..... Keith Collins (10:05 – 1:00)

<sup>1</sup> Separate agenda provided by MMU

*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

October 28, 2019  
SPP Corporate Center – Little Rock, AR

**ATTENDANCE LIST**

NAME	SYSTEM
Michael Desselte	SPP
JOSH MARTIN	SPP DIRECTOR
DARCY ORTIZ	SPP DIRECTOR
Barbara Sugg	SPP
Carl Stelly	SPP
Bruce Scherr	SPP Director
Sam Ellis	SPP
Graham Edwards	SPP Director
Erin Cullum Marcussen	SPP
Thyllis Bernard	SPP Director
Keith Collins	SPP MMU
Jodi Woods	SPP MMU
John Lualien	SPP MMU
Greg Sorenson	SPP MMU

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**July 29, 2019**  
**Hilton Downtown, Des Moines, Iowa**

• M I N U T E S •

**Executive Session 1**

**Agenda Item 1 – Call to Order/Administrative Items**

Josh Martin called Executive Session 1 to order at 7:00 AM. Members in attendance included: Graham Edwards (Director); Darcy Ortiz (Director); and, Phyllis Bernard (Director). Harry Skilton (Director Emeritus), Susan Certoma (Director) and Bruce Scherr (Director) also attended in person. SPP staff in attendance included Barbara Sugg, Sam Ellis, Lauren Krigbaum (by phone), and Aaron Shipley (by phone) (Attendance – Attachment 1). Graham Edwards moved and Darcy Ortiz seconded adoption of the April 15, 2019 Oversight Committee minutes, which were unanimously accepted (Minutes 4/15/2019 – Attachment 2).

**Agenda Item 2 – Action Items Report**

Michael Desselle provided a status report on the follow-up action items.

**Agenda Item 3 – Quarterly Activity Reports**

**Internal Audit Department** – Lauren Krigbaum reported on Internal Audit's: completed assessments since the last OC meeting; the status of 2018/2019 audit plan items in process; the proposed draft 2019/2020 audit plan; and, staffing matters. Additionally, Lauren provided a mid-year budget forecast as well as the Department's 2020 proposed budget. With respect to the proposed 2020 audit plan, Josh noted that the Committee should avail themselves of Internal Audit's solicitation for areas of interest/concern for inclusion into the final audit plan.

**Security** - Sam Ellis provided the quarterly cyber-security update. He briefed the Committee on recent cyber-related news articles. Related to these articles, Sam clarified NERC's requirements for incident and disturbance reporting and discussed SPP's internal efforts to mitigate the risk of incident reporting leading to news headlines. Sam reviewed the quarterly cyber metrics; shared the results from the 2019 Cyber maturity assessment (confirming continued progress in SPP's overall maturation efforts); and, shared the current status of various cyber strategic objectives.

**Agenda Item 4 – Competitive Transmission Process Timeline**

Aaron Shipley discussed upcoming OC tasks related to the 2019 Integrated Transmission Planning (ITP) (Competitive Transmission Process Timeline – Attachment 3). Aaron noted that indications exist that there will be potential 2019 competitive upgrades on track for review/approval in the October timeframe. He reminded the Committee of its next steps if the Board approves the ITP and if SPP Legal opines that the approved upgrades are deemed competitive. Finally, he reviewed the transmission owner selection process flow.

Aaron then discussed the Industry Expert Pool (IEP) creation noting that the SPP Tariff Attachment Y, section III requires that “on an annual basis, the OC shall identify a pool of candidates to serve as industry experts to evaluate proposals submitted in response to any RFP issued by Transmission Provider...” Aaron reviewed the candidate pool creation historical timeline and expressed the concern that the historical timeline no longer aligns with SPP's amended planning process timelines. Specifically, planning portfolios will now only be presented at the October cycle of meetings for review/approval each year as opposed to quarterly opportunities in the past. Consequently, Staff is proposing that to better align the candidate pool creation with SPP's current planning processes, shifting the solicitation timeline from the prior year's fall calendar to the spring calendar of the applicable year. That shift results in the following revised solicitation timeline:

- Solicit candidates (January 1 – March 15);
- Staff submits candidates for review/approval (April OC Meeting);

- OC recommends to the BOD approval of IEP Candidate Pool (April BOD Meeting).

Aaron reviewed the pros and cons of staff's recommendation. In response to a question regarding tariff implications, Aaron indicated that legal/regulatory indicated that there are no tariff concerns with the proposed shift in the IEP solicitation process. Accordingly, Phyllis Bernard moved endorsement, seconded by Graham Edwards, of staff's recommended process change. The motion was approved unanimously.

#### **Agenda Item 5 – Oversight Committee Scope Review**

Josh Martin noted the changes to the OC's scope document reflecting necessary updates (OC Org Group Scope Document – Attachment 4). Following an explanation of driver for the changes a motion to adopt by Graham, seconded by Phyllis, was approved.

#### **Agenda Item 6 – Discuss Action Plan re Referral from Human Resources Committee**

Michael Desselle noted the Human Resources Committee's referral to the OC (HRC 4/29/2019 Minutes – Attachment 5). He noted that the HRC, after deliberations, asked the OC to develop a method of reporting an annual staff compliance rating to the Human Resources Committee as an input to the annual Employee Performance Compensation Plan funding analysis. Michael noted a pending action item (Pending Action Items Status Report – Attachment 6) and described his plan for staff development of a straw-proposal.

#### **Agenda Item 7 – Action Items**

Action items are:

- Security staff to perform deep dive on new NERC CIP reporting standards; and,
- Staff develop compliance metric straw-proposal and schedule related calls.

#### **Agenda Item 8 – Future Meetings**

The Committee reviewed the remainder of the 2019 meeting schedule.

#### **Agenda Item 9 – Written Reports (Compliance)**

#### **Executive Session 2**

##### **Agenda Item 10 – Call to Order/Administrative Items**

Josh Martin called executive session 2 to order at 9:45 AM. Members in attendance included: Graham Edwards (Director), Darcy Ortiz (Director) and, Phyllis Bernard (Director). Harry Skilton (Director Emeritus), Susan Certoma (Director) and Bruce Scherr (Director) also attended in person. MMU staff in attendance included: Keith Collins and Greg Sorensen.

##### **Agenda Item 11 – Action Items Report**

Greg Sorensen provided an action items report.

##### **Agenda Item 12 – Mid-Year Budget Forecast and 2020 Proposed Budget**

Keith Collins presented the MMU's mid-year 2019 budget forecast. Additionally, Keith presented the proposed 2020 MMU budget. The Committee reviewed and approved the proposed 2020 budget.

##### **Agenda Item 13 – Other MMU Matters**

The Committee reviewed and approved modified MMU goals to reflect engagement in the: OMS-RSC seams liaison committee; the Western EIS; and, fast-start design. Additionally the MMU updated the Oversight Committee regarding: market design matters; planning process involvement; market efficiency metrics; and, regulatory engagements, including FERC and states.

#### **Adjournment**

Josh Martin adjourned Executive Session 2 at 1:00 PM.

Respectfully Submitted,

Michael Desselle

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**August 21, 2019**  
**Conference Call**

**• M I N U T E S •**

**Agenda Item 1 – Call to Order/Administrative Items**

Josh Martin called meeting to order at 4:00 PM. Members in attendance included Graham Edwards (Director).

**Agenda Item 2 – Discuss Proposed Compliance Metric**

Michael Desselle discussed a proposed compliance metric. The Committee provided feedback and suggested modifications for further consideration.

**Agenda Item 3 – Action Items**

Action items are:

- Staff to revise proposed metric for OC further consideration.

**Adjournment**

Josh Martin adjourned the conference call at 4:40 PM.

Respectfully Submitted,

Michael Desselle

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**October 9, 2019**  
**Conference Call**

• M I N U T E S •

**Agenda Item 1 – Call to Order/Administrative Items**

Josh Martin called meeting to order at 10:30 AM. Members in attendance included: Graham Edwards (Director); and, Phyllis Bernard (Director).

**Agenda Item 2 – Discuss Proposed Compliance Metric**

Michael Desselle discussed the revised compliance metric proposal (Compliance Metric Proposal – Attachment 1) resulting from feedback provided by the OC on August 21<sup>st</sup>. The Committee discussed a few caveats and Graham moved adoption, seconded by Phyllis. With adoption, the OC recommends forwarding to the HRC for its adoption.

**Agenda Item 3 – Action Items**

Action items are:

- Staff to prepare recommendation and submittal to the HRC.

**Adjournment**

Josh Martin adjourned the conference call at 10:50 PM.

Respectfully Submitted,

Michael Desselle



SPP Organizational Group Self-Assessment  
(August 2018 – July 2019)

GROUP NAME: **Oversight Committee**

THE SCOPE HAS BEEN REVIEWED IN THE PAST YEAR: **Yes**

MEMBER ROSTER/ATTENDANCE:

Member	Company	# Present	# Absent
Bernard, Phyllis	Director	5	0
Edwards, Graham	Director	5	0
Martin, Josh (C)	Director	5	0
*Ortiz, Darcy	Director	3	0
*Scherr, Bruce	Director	2	0
*Skilton, Harry	Director	2	0
Michael Desselle	Staff Secretary	5	0

**\*Only on Committee for part of the assessment period.**

**AVERAGE OVERALL ATTENDANCE (INCLUDING NON-GROUP MEMBERS): 14**

**MEETINGS HELD TO DATE: Live: 5 Teleconference: 0**

**AVERAGE LENGTH OF MEETINGS: 5 HOURS**

**NUMBER OF VOTES TAKEN: 10**

**MEETING COST(S): \$65,998.40**

- Meeting costs include hotel expenses (room rental, A/V, food and beverage), estimate of teleconference expenses, and Director fees for attendance.

**MAJOR ACCOMPLISHMENTS/ISSUES ADDRESSED BY THE GROUP:**

1. Recommended to the Human Resources Committee adoption of a compliance metric to be utilized in the annual Performance Compensation plan
2. Modified OC scope document to align committee responsibilities to SPP bylaws
3. Oversaw investigation of the implications for SPP's credit practices resulting from the PJM credit default
4. Coordinated with the Finance Committee and SPP legal staff the evolving implications associated with cyber-incident insurance coverage
5. Oversaw staff's centralized corporate compliance monitoring program and received periodic reports on all NERC-related compliance matters
6. Oversaw staff's internal audit functions and received quarterly reports
7. Oversaw staff's physical and cyber-security program efforts and received quarterly reports

8. Oversaw the operations of the Independent Market Monitor, received quarterly reports, attended education sessions on specific MMU-related aspects associated with SPP markets
9. Oversaw the SOC1 audit progress and final report

**MAJOR PENDING ISSUES BEFORE THE GROUP:**

1. Oversee review and update of SPP's current corporate risk assessment
2. Continued oversight and surveillance of SPP Cyber- and physical security matters
3. Continued oversight of SPP's Process Integrity functionality (Internal Audit and Compliance)
4. Continued oversight of SPP's SOC1 audits
5. Continued oversight of the Independent Marker Monitor