

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**January 27, 2020**  
**El Dorado Hotel, Santa Fe, New Mexico**

• M I N U T E S •

**Executive Session 1 (OC Members and MMU Only)**

**Call to Order/Administrative Items**

Josh Martin called executive session 1 to order at 8:00 AM. Members attending included: Graham Edwards (Director), and Darcy Ortiz (Director). Susan Certoma (Director) and Julian Brix (Director) also attended. MMU staff in attendance included: Keith Collins, Jodi Woods, and Greg Sorensen.

**Executive Session 2 (RTO Staff)**

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

Josh Martin called meeting to order at 10:30 AM. Members attending included: Graham Edwards (Director), and Darcy Ortiz (Director). Susan Certoma (Director) and Julian Brix (Director) also attended. SPP staff in attendance included Barbara Sugg and Sam Ellis (Attendance – Attachment 1). Darcy moved and Josh Martin seconded adoption of the December 9, 2019 and January 7, 2020 Oversight Committee minutes which were unanimously accepted (Minutes 12/9/2019 and 1/7/2020 – Attachment 2 & 3).

**Agenda Item 2 – Action Items Report**

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

**Agenda Item 3 – Quarterly Activities Report**

**Security** - Sam Ellis reviewed the quarterly cyber metrics. Included in that review was a status of overall program maturity. Darcy noted that it is important to highlight the critical focus areas and ensure that we are getting the right resources to effectuate further maturity. Sam reviewed the cyber strategic plan milestones with the Committee, specifically noting items that have been completed as well as just initiated. Finally, Sam shared with the Committee his list of 2020 security risks. He described that every year, he takes a fresh look at cyber security risks, weighs those risks, examines trends and considers reports in terms of the risks' proximity (peers, geography, industry, etc.). He noted for the Committee five (5) top risks SPP desires to prepare for based on our current state and recent trends.

**Compliance**– Michael Desselle described for the Committee just two major focus areas the Compliance Department will be focusing on in 2020: 1. Internal Controls Program and 2. The Internal Outreach Program. The Committee advised that they would like to see milestones and metrics at the next OC Meeting.

**Agenda Item 4 – Oversight Committee Annual Survey Results**

The Committee discussed the results.

**Agenda Item 5 – Action Items**

Action items are:

- Compliance Staff to share milestones associated with 2020 focused programs;
- Compliance Staff to share preliminary compliance metrics; and,
- Staff to assure that background meeting materials are delivered timely to Committee membership.

**Agenda Item 6 – Future Meetings**

The Committee discussed the meeting schedule.

**Adjournment**

Josh Martin adjourned Executive Session 2 at 12:00 PM.

Respectfully Submitted,

Michael Desselle



**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**January 27, 2020**  
**Chaparral Conference Room**  
**El Dorado Hotel, Santa Fe, New Mexico**

• **A G E N D A** •

8:00 a.m. – 1:00 p.m. MST

Executive Session 1 (OC Members & MMU only) ... Oversight Committee & MMU Secretary (8:00 – 10:30)

Executive Session 2 (Visitors Excluded)..... Oversight Committee, RTO Staff (10:30 – 1:00)

1. Call to Order/Administrative Items.....Josh Martin (10:30 - 10:35)
2. Action Items Report ..... Michael Desselle (10:35- 10:40)
3. Quarterly Activity Reports
  - a. Security..... Sam Ellis/Barbara Sugg (10:40 – 11:30)
  - b. Controls and GRC Maturation ..... Michael Desselle (11:30 – 11:50)
4. Oversight Committee Annual Survey Results ..... Josh Martin (11:50 – 11:55)
5. Action Items ..... Michael Desselle (11:55 – 12:00)
6. Future Meetings.....Josh Martin (12:00- 12:00)

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
Monday, December 7, 2020	TBD	Net Conference

**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**  
**December 9, 2019**  
**Net Conference**

• M I N U T E S •

**Executive Session 1 (OC Members and MMU Only)**

**Call to Order/Administrative Items**

Josh Martin called executive session 1 to order at 8:00 AM. Members attending included: Graham Edwards (Director), Darcy Ortiz (Director) and, Phyllis Bernard (Director). Bruce Scherr (Director) and Susan Certoma (Director) also attended. MMU staff in attendance included: Keith Collins, Jodi Woods, John Luallen and Greg Sorensen.

**Agenda Item 2 – Action Items Report**

**Agenda Item 3 – Other MMU Matters**

MMU staff provided status reports and discussed other matters with the OC.

**Executive Session 2 (RTO Staff)**

**Agenda Item 4 – Call to Order/Administrative Items**

Josh Martin called meeting to order at 10:10 AM. Members attending included: Graham Edwards (Director); Darcy Ortiz (Director); and, Phyllis Bernard (Director). Bruce Scherr (Director) and Susan Certoma (Director) also attended on behalf of the Finance Committee. SPP staff in attendance included Barbara Sugg, Sam Ellis, Lauren Krigbaum, Carl Stelly, Erin Cullum Marcussen, Derek Wingfield, Dustin Smith, Aaron Shipley, Chris Cranford and Paul Suskie (Attendance – Attachment 1). Phyllis Bernard moved and Darcy Ortiz seconded adoption of the October 28, 2019 Oversight Committee minutes which were unanimously accepted (Minutes 10/28/2019 – Attachment 2).

**Agenda Item 5 – Action Items Report**

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

**Agenda Item 6 – SOC1 Independent Auditors Report**

Schoen Hertell (KPMG's Audit Partner) presented to the OC its opinion and findings regarding their audit of SPP's 2019 System and Organizational Controls (KPMG SOC1 Engagement Presentation – Attachment 3). Shaun informed the Committee that no control deficiencies were noted during the examination period. Further Shaun told the Committee that their report, issued on December 4, notes issuance of an unqualified opinion. Looking forward, Schoen informed the Committee that the implementation of the new Settlement System in February will modify the SOC1 audit period thereby necessitating from management a three month "gap" letter.

**Agenda Item 7 – Update on Current Activities**

**Internal Audit**- Lauren Krigbaum reported on completed audits noted in her written report. She also noted changes to the existing audit plan: specifically, noting a shift of the software licensing audit to 2020 and the security awareness audit to first quarter of 2020. Noting that there is nothing to review and that all employees are required to be recertified as a component of SPP's annual training program Lauren explained the removal of the standards of conduct audit from the annual plan. Finally, Lauren presented the process used to derive its annual audit plan: noting the input drivers, the draft plan shared with the OC in seeking comment and lastly presentation for approval of the final plan. For 2020, Lauren cited the following audit plan items IA will focus on: Network and Commercial Model Updates; SOC1 Gap Period Review (noted above); Generator Interconnection Processes; BMC Remedy Change/Incident Management; and the Compliance Hotline. Following her report and presentations, Graham Edwards moved adoption of the 2020 Internal Audit annual plan. Darcy Ortiz seconded the motion which passed unanimously.

**Compliance**– Carl Stelly provided a written status report on departmental staffing, quarterly activities, upcoming 2020 activities and open enforcement actions status. Specifically, Carl noted the development of the 2020 Compliance annual plan and a compliance department 2020 focus on improving Internal Controls and Event Analyses. Carl informed the Committee that the MRO has confirmed the audit schedule for 2020 to be conducted by MRO with participation by the WECC RE. Carl and Erin Cullum Marcussen explained the process used in developing the 2020 Compliance Annual Plan. After describing that process Graham Edwards moved adoption, seconded by Darcy Ortiz, and the motion to approve the 2020 Compliance Annual Plan was approved unanimously.

**Security** - Sam Ellis provided the quarterly cyber-security update. As a follow-up from a previously deferred item, Sam explained the types of incidents, and associated timeframes, in which control room operators are required to notify FERC and NERC regarding physical and cyber-attacks. Sam also informed the Committee on the new CIP Cyber Incident reporting standards (CIP-008-6 to supersede CIP-008-5) pending FERC approval. Sam reviewed the quarterly cyber metrics. Barbara Sugg shared with the Committee SPP's engagement in GridEx V, recently completed. Lastly, Sam followed-up on two action items from the previous meeting. First, Sam reported that IT has been looking at options (including Diligent) for secure messaging and document portal for Board materials. Darcy offered to provide additional tools (with pros and cons) for consideration. Second, Sam reported that later in December a new list-serve system will be operational to address the malware on exploder lists.

#### **Agenda Item 8 – Independent Expert Panel Discussion/Recommendations**

Josh Martin opened the discussion and described the recent IEP training held at SPP and the Order 1000 requirement associated with competitive transmission projects. Aaron Shipley noted that Attachment Y in the SPP Tariff requires the OC to identify a pool of candidates to serve as industry experts which would evaluate competitive transmission projects and noted that the OC had completed that responsibility in the 4<sup>th</sup> quarter of 2018. Aaron further described that the Tariff requires that the OC create panels to evaluate Competitive transmission proposals and noted that the 2019 ITP produced two projects deemed to be competitive. Aaron described the next steps for each project and noted that staff is recommending only to seat a panel for the Sonner Wekiwa project at this time. Graham Edwards moved adoption of staff's recommended panel composition which was seconded by Phyllis Bernard. The Motion passed unanimously.

#### **Agenda Item 9 – Action Items**

Action items are:

- Move December 3, 2020 meeting date to December 7 and arrange for net-conference.

#### **Adjournment**

Josh Martin adjourned Executive Session 2 at 12:00 PM.

Respectfully Submitted,

Michael Desselle

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**January 7, 2020**  
**Conference Call**

• M I N U T E S •

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

Josh Martin called meeting to order at 1:00 PM CST. Members in attendance included: Graham Edwards (Director); and, Darcy Ortiz (Director).

**Agenda Item 2 – Discuss Proposed 2019 Compliance Metric for Submission to the HRC**

Michael Desselle discussed Executive Management's (staff) narrative summary of SPP's 2019 overall compliance results. Additionally he described staff's recommended proposed metric. The Committee inquired about whether it had the latitude to recommend a number between the numbers contained in the overall compliance matrix approved by the HRC. Specifically, this was to recognize performance greater than target but not quite to the next metric level defined in the matrix. Further discussion highlighted the needed maturity in SPP's GRC tool and controls. The Committee encouraged staff to elevate the prioritization of the GRC tool and controls maturation.

Following discussions, Darcy Ortiz moved endorsement of staff's proposed target "1.0" recommendation to the HRC. The motion was seconded by Graham Edwards and passed unanimously.

**Agenda Item 3 – Action Items**

Staff will prepare recommendation for submittal to the HRC.

**Adjournment**

Josh Martin adjourned the conference call at 1:30 PM.

Respectfully Submitted,

Michael Desselle

Oversight Committee		2019 Members	2018	2017	2016	2015	2014	2013	2012	2011	2010
Number of members		6	7	7	5	4	4	4.0	5	4	4
Number of responses		5	6	5	4	4	3	4	5	4	4
Response rate		83%	86%	71%	80%	100%	75%	100%	100%	100%	100%
Overall effectiveness score		4.8	4.2	4.0	4.8	4.8	5	4.8	4.8	4.8	#REF!
Lowest score		4.2	3.3	3.8							
Highest score		4.8	5	5							
Question	Average score										
	2016	2015	2014	2013	2012	2011	2010				
The agenda reflects the actions to be taken during the meeting.	4.8	5.0	5.0	4.5	4.5	5.0	4.5	4.6	4.3	4.5	
Meeting materials are provided in a timely manner.	4.2	4.5	4.2	4.5	4.5	4.7	4.5	4.4	4.5	4.3	
The information provided prior to the meeting is utilized during the meeting.	4.4	4.8	4.6	4.8	4.8	5.0	4.3	4.4	4.5	4.5	
The information presented in meetings is clear.	4.6	4.7	4.2	4.5	4.5	4.3	4.0	4.4	n/a	n/a	
Meeting minutes are an accurate reflection of the meeting.	4.6	4.3	4.4	4.5	4.8	4.3	4.3	4.6	4.3	4.5	
<b>Additional comments:</b>											
Would be helpful to receive all of the materials ahead of the meeting in a single packet.											
Membership represents the diversity of the SPP organization.	4	3.3	3.8	3.3	4.0	3.0	3.3	3.2	3.5	3.5	
Membership has the necessary expertise and/or skills to accomplish its goals.	4.6	4.7	4.8	4.5	4.5	4.3	4.3	4.4	4.3	4.5	
Members come prepared to meetings.	4.4	4.5	4.8	4.5	4.8	4.7	4.5	4.8	4.8	5.0	
Members are committed to participate and accomplish the group's goals.	4.6	4.7	5.0	4.8	4.8	5.0	4.8	4.8	5.0	5.0	
Members are supportive and respectful of the individual needs and differences of group members.	4.6	4.7	4.4	4.5	4.5	5.0	4.5	4.2	4.8	4.5	
<b>Additional comments:</b>											
Members are engaged during the meeting.	4.25	4.8	4.8	4.7	4.8	4.7	4.8	4.6	4.3	4.0	
Decisions are identified and action is recommended.	4.5	4.8	4.6	4.3	4.8	5.0	4.8	4.8	4.8	4.5	
Facilitation is sufficient to guide discussion.	4.3	4.5	4.4	4.5	4.5	4.3	4.5	4.4	4.8	4.5	
Dissenting voices are heard.	4.75	4.8	4.8	4.8	4.8	4.7	4.5	4.2	4.5	4.5	
I depart with a feeling that we have accomplished something.	4.5	4.8	4.6	4.8	4.5	4.7	4.3	4.6	4.5	4.3	
<b>Additional comments:</b>											
The chair seeks input, and organizational group members are able to influence key decisions and plans.	4.6	4.8	4.6	4.8	4.5	5.0	4.8	4.8	4.8	4.8	
The chair is supportive and respectful of the individual needs and differences of group members.	4.8	4.8	4.8	4.8	4.8	5.0	4.5	4.8	4.8	4.5	
The chair keeps the group on task to achieve appropriate outcomes.	4.8	4.8	5.0	4.8	4.8	5.0	4.8	4.8	5.0	4.8	
The chair ensures follow-through on questions and commitments.	4.6	4.7	4.6	4.5	4.5	5.0	4.8	4.4	4.8	4.5	
<b>Additional comments:</b>											
The OC although not representing the diversity of the membership fills a vital role at SPP in terms of overseeing internal audit, compliance, the MMU and security, including physical and cyber-security. These are functions that are not addressed elsewhere in the organization.											
Continue on same path. Allow more time for MMU Hear more from SPP staff on market operations/improvement opportunities											
<b>Please provide three or more recommendations for improvement of this particular group and/or SPP's overall organizational group structure.</b>											
<b>Please provide three or more recommendations for improvement of this particular group and/or SPP's overall organizational group structure</b>											