

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**January 13, 2021**  
**Web Conference**

• M I N U T E S •

**Executive Session 1 (RTO Staff)**

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

Josh Martin called meeting to order at 10:00 AM. Members attending included Graham Edwards (Director); Darcy Ortiz (Director); Julian Brix (Director) and, Elizabeth Moore (Director). SPP staff in attendance included Emily Pennel, Sam Ellis, Lauren Krigbaum, Rocky Tolentino, Malinda See, Antoine Lucas, Lanny Nickell and Paul Suskie. Graham Edwards moved and Julian Brix seconded adoption of the December 4, 2020 Oversight Committee minutes which were unanimously accepted (Minutes 12/04/2020 – Attachment 1). Julian Brix moved and Liz Moore seconded adoption of the January 6, 2021 OC teleconference minutes, which were unanimously adopted (Minutes 1/6/2021).

**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**

**Cyber-Security** - Rocky Tolentino provided updates and news on the recent Solarwinds cyber-security incident. Sam Ellis discussed five milestones for SPP's security roadmap and then apprised the Committee on the most recent quarterly metrics.

**Physical-Security** – Malinda See informed the Committee that SPP's "Closed Campus" profile has been implemented, noting that the main driver was COVID-related restrictions. She described the "closed campus" as meaning that the gates and doors are locked at all times. She also described the enhanced physical security goals for 2021. Josh and Graham both asked about, and later suggested, engagement of an outside physical security expert to gauge SPP's physical security posture recognizing that such a cost would likely be out of budget.

**Agenda Item 4 – Order 1000 Update**

Paul Suskie advised the Committee that this item was a carryover from the October 2020 Board meeting and noted that he, Antoine Lucas and Lanny Nickell are briefing the OC prior to the January Board meeting due to Order 1000 implications associated with the Butler to Tioga transmission line Competitive process. Antoine described how staff made its recommendation for the project to be competitive. Antoine, Lanny and Paul answered questions from Committee members and described recent events related to the project.

**Added Agenda Item – OC Scope**

Michael advised the Committee that the Corporate Governance Committee referred to the OC modification of the OC scope to accommodate two reorganized MOPC Working Groups (the Regional Compliance Advisory Group and the Security Advisory Group). Following discussions, staff was tasked to make suggested modifications to the OC scope and report back.

**Agenda Item 6 – Action Items**

Action items are:

- Staff to explore physical security consultant assessment; and,
- Staff to modify OC scope per discussions.

**Adjournment**

Having no questions regarding Internal Audit's written report, Chairman Martin adjourned Executive Session 1 at 11:30 AM.

Respectfully Submitted,

Michael Desselle

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**December 4, 2020**  
**Web Conference**

• M I N U T E S •

**Executive Session 2 (RTO Staff)**

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

Josh Martin called meeting to order at 8:04 AM. Members attending included: Graham Edwards (Director); Darcy Ortiz (Director); Julian Brix (Director) and, Elizabeth Moore (Director). SPP staff in attendance included Emily Pennel, Sam Ellis, Lauren Krigbaum, Carl Stelly, Erin Cullum Marcussen, Rocky Tolentino, Aaron Shipley, Ben Bright and Paul Suskie. Graham Edwards moved and Darcy Ortiz seconded adoption of the October 26, 2020 Oversight Committee minutes which were unanimously accepted (Minutes 10/26/2020 – Attachment 1).

**Agenda Item 2 – Action Items Report**

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

**Agenda Item 3 – SOC1 Independent Auditors Report**

Schoen Hertell and Bernie Wieger (KPMG's Audit Partners) presented to the OC its opinion and findings regarding their audit of SPP's 2020 System and Organizational Controls (KPMG SOC1 Engagement Presentation – Attachment 2). Schoen introduced Bernie and explained that Bernie is replacing Eddie Holt in a partner transition. Bernie stated that KPMG was issuing an unqualified opinion noting that an operating effectiveness control deficiency was observed. Bernie distinguished the difference between an "operating effectiveness" and a "design effectiveness" and reported that other compensating controls were in place. He also noted that the term "control deficiency" is the new term of art replacing the term "exception". Schoen described the conduct of the audit in light of the risk associated with COVID-19. Further he reiterated that their report, issued on December 2, notes issuance of an unqualified opinion. Looking forward, Bernie informed the Committee that they would be performing the WEIS audit for the period 2/1/2021 through 10/31/2021 and that ongoing discussions are happening regarding scope changes for the 2021 RTO audit.

**Agenda Item 4 – Update on Current Activities**

**Compliance**– Carl Stelly provided a written status report on departmental staffing, quarterly activities, upcoming 2020 activities and open enforcement actions. Specifically, Carl noted the development of the 2021 Compliance annual plan and a continuing focus on improving Internal Controls. Carl explained the process used in developing the 2021 Compliance Annual Plan. After describing that process Julian Brix moved endorsement, seconded by Darcy Ortiz, and the motion to endorse the 2021 Compliance Annual Plan was approved unanimously. Carl reported on the recent WECC assurance visit. Erin Cullum Marcussen reported on the progress of FERC's compliance audit underway and described how the process is working under COVID restrictions.

**Internal Audit**- Lauren Krigbaum provided a staffing update and a 2020 audit plan update. She presented the 2021 Internal Audit annual plan noting the addition of four new audits and the deferral of one audit. Graham Edwards moved adoption of the 2021 Internal Audit annual plan. Julian Brix seconded the motion which passed unanimously. Lauren reported on completed audits, audits in progress and other activities.

**Security** - Sam Ellis apprised the Committee on recent and upcoming activity related to the Identity and Access Management (IAM) improvement efforts. Rocky Tolentino provided updates and news on cyber-security trends and events.

**Agenda Item 5 – Independent Expert Panel(s) Update**

Aaron Shipley presented an update on the recent increase in competitive transmission activity and the need to invoke the Transmission Owner Selection Process (TOSP) more frequently in the near future. He described the annual process to seek, review, and approve experts to comprise the IEP pool. Aaron described the increased need for IEP panels, the need to attract more experts and the size of IEP pool, and the potential to consider use of consulting firms/consultants. Josh, Graham and Julian all expressed concerns about the potential use of consultants and the potential for conflicts of interest. Following discussions, Graham Edwards suggested allowing the size of the panels to be increased but continuing the practice of not using consulting firms. Josh and Julian agreed and no opposition was expressed. Aaron then provided a status report on the TOSP process improvement efforts underway. He provided an update on the RFP for the Wolf Creek to Blackberry RFP and he and Paul Suskie answered questions about the potential reliability impacts if the RFP timing slipped. Aaron apprised the Committee about two potential Competitive Upgrades: the Butler-Tioga upgrade which could go to January Board meeting for direction; and, the Pleasant Valley-Minco-Draper upgrade which is in a NTC-C process awaiting cost refinement updates from incumbent utility on the non-competitive portion of project. Paul Suskie advised the Committee that the first upgrade is likely to be a high-profile issue. Lastly, Aaron reported that staff will commence the annual IEP pool process in the first quarter of 2021 and seek OC and Board approval in April 2021.

**Agenda Item 6 – Action Items**

Action items are:

- Note approval items on future agendas.

**Adjournment**

Josh Martin adjourned Executive Session 1 at 10:00 AM.

Respectfully Submitted,

Michael Desselle

**Southwest Power Pool, Inc.**  
**OVERSIGHT COMMITTEE MEETING**  
**January 6, 2021**  
**Web-Conference Call**

• M I N U T E S •

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

Josh Martin called meeting to order at 10:12 AM CST. Members in attendance included: Graham Edwards (Director); Julian Brix (Director); Elizabeth Moore (Director); and, Darcy Ortiz (Director).

**Agenda Item 2 – Discuss Proposed 2020 Compliance Metric for Submission to the HRC**

Michael Desselle discussed Executive Management's (staff) narrative summary of SPP's 2020 overall compliance results. Additionally he described staff's recommended proposed metric. The Committee inquired about pending self-reports referenced in the narrative of which they were unfamiliar with regarding specifics. Michael explained the nature of those self-reports. The explanation provided greater insight for the Committee members who were considering the potential for a different metric. Staff committed to supplement the background with a written explanation to the Committee membership.

Following discussions, Graham Edwards moved endorsement of staff's proposed ".75" metric recommendation to the HRC. The motion was seconded by Liz Moore and passed unanimously. Darcy Ortiz joined the call in progress and concurred with the Committee's action.

**Agenda Item 3 – Action Items**

Staff will prepare recommendation for submittal to the HRC. Staff to supplement background for pending self-report as discussed.

**Adjournment**

Josh Martin adjourned the conference call at 10:40 PM.

Respectfully Submitted,

Michael Desselle