



MIDWEST RELIABILITY ORGANIZATION

Final Minutes of the MRO Security Advisory Council Meeting

MRO Offices, St. Paul, MN

February 2, 2017

1. Call to Order and Introductions

Interim MRO Security Advisory Council (SAC) Chair Mike Kraft called the meeting to order at 8:35 a.m. and introductions were made. He extended a warm welcome to meeting attendees.

- a. *Determination of Quorum.* The meeting secretary Jennifer Matz, MRO Risk Assessment and Mitigation 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 to attendees by Richard Burt, MRO Vice President of Risk Assessment, Mitigation and Standards.
- c. *Additions to the Agenda.* No additions to the agenda were proposed by council members.

Upon a motion duly made and seconded, the MRO Security Advisory Council unanimously approved the agenda as written.

2. Discussion on MRO SAC Chair and Vice Chair Appointments

Interim Chair Kraft asked council members to discuss the appointments for chair and vice chair in order for the council to provide a recommendation to the GPC which will then recommend the appointments to the MRO Board. Council members' feedback on the current appointments were positive, and no other council members were nominated for the chair or vice chair positions. A motion was made to approve Mike Kraft as chair and Tim Anderson as vice chair of the MRO SAC.

Upon a motion duly made and seconded, the MRO SAC unanimously approved Mike Kraft as chair and Tim Anderson as vice chair of the MRO SAC.

Action: MRO Staff will recommend to the GPC that Mike Kraft be approved as chair and Tim Anderson as vice chair of the MRO SAC. The GPC will then consider that recommendation for the MRO Board to approve.

3. MRO Staff Report

Steen Fjalstad, MRO Security and Mitigation Principal, informed council members that he is the MRO staff liaison assigned to the MRO SAC. He provided an overview of how the MRO SAC was established and that the council will help the region address specific threats to the electric sector.



Fjalstad referred council members to the MRO SAC charter, where he clarified a couple of statements in the charter. He highlighted the focus of the SAC is to address security concerns and not compliance concerns. Although compliance concerns may come forth, the focus of the MRO SAC should continue to be on security (e.g., cybersecurity, physical security, SCADA, EMS, etc.). Fjalstad further stated that the MRO SAC is an MRO organizational group that provides advice and counsel to the MRO Board, MRO staff, and registered entities.

Fjalstad reviewed a revised MRO Organizational Groups Chart containing the MRO SAC, and highlighted the objectives of the other MRO committees and subgroups. He informed council members to refer to Policy and Procedure 3 (Organizational Groups) to understand the establishment, responsibilities, and procedures of MRO Organizational groups and MRO Representatives on NERC Committees.

Richard Burt, Vice President of Risk Assessment, Mitigation and Standards, asked council members to be cognizant of the other MRO committees' activities, especially the Operating Committee and Standards Committee. The Operating Committee on occasion may review items like the reliability of SCADA systems from an operational perspective. Burt asked council members to be aware of the MRO Standards Committee (SC) and the difference between guidance on security related items versus guidance pertaining to standards, which falls under the MRO SC. He informed the council that MRO staff can assist with communicating the activities of other committees that may be of interest to the MRO SAC, since staff attends the committee meetings.

Interim Chair Mike Kraft briefly reviewed the MRO SAC charter with council members in prep for the next agenda item.

The committee recessed for break at 9:18 a.m. and reconvened at 9:40 a.m.

4. Goals and Objectives for 2017 (Part I)

- a. Goals. Interim Chair Mike Kraft received feedback from council members on the high-level goals listed in the report; no changes were proposed to the goals. He asked MRO staff if the MRO SAC can proceed with projects before the next quarterly meeting if the council's goals and objectives are aligned with the MRO Board approved charter and a work plan that supports the charter objectives. Richard Burt informed the council that the MRO SAC goals and objectives along with the work plan will need to be approved by the MRO Board at the March 16 MRO Board of Directors Meeting. Burt offered to look into what tasks the council can proceed with prior to MRO Board approval once the MRO SAC has established tasks and timelines in the work plan.
- b. Objectives. Interim Chair Mike Kraft reviewed the objectives under each goal and asked for council feedback about whether the actions are measurable and attainable. The council discussed revisions to the objectives. Regarding the word "HERO" in objective 3.7, Richard Burt provided a high-level overview of the five principles of Highly Reliable Organizations pertaining to HRO Theory as a background for



MRO's use of the word HERO to represent Highly Effective Reliability Organizations. The council suggested the following revisions to the objectives:

- Add Objective 1.6: Develop MRO Region security contacts list by August 2017
- Revise Objectives 2.1 and 3.1 from 60 to 90 days
- Revise Objectives 2.2 – 2.4 and 3.2 – 3.4 to read “Develop or facilitate”
- Revise Objectives 3.5 and 3.6 to read “Advisor to” rather than “Support”
- Revise Objective 3.7 by removing all language except “distill and communicate lessons learned from security-related incidents in 2017”

A motion was made to approve the MRO SAC goals and objectives as amended during the meeting.

Upon a motion duly made and seconded, the MRO SAC unanimously approved the MRO SAC 2017 Goals and Objectives as amended.

- c. Guiding Principles. Interim Chair Mike Kraft reviewed the proposed guiding principles with council members. He highlighted that the purpose of the principles is for the MRO SAC to refer to these principles when making decisions on work products to ensure the appropriate areas are being covered. Interim Chair Kraft asked council members for feedback about whether or not the council needs guiding principles and if any revisions are needed. The council provided positive feedback about the guiding principles and suggested the following revisions to the document:

- Change number 3 to “Transparent in operation”
- Change number 4 to “Don’t duplicate, but relate”
- Remove number 10

A motion was made to approve the MRO SAC Guiding Principles as amended during the meeting.

Upon a motion duly made and seconded, the MRO SAC unanimously approved the MRO SAC Guiding Principles as amended.

5. Goals and Objectives for 2017 (Part II)

- a. Proposed 2017 Calendar. Interim Chair Mike Kraft informed the council that the proposed 2017 calendar is provided in the work plan document.
- b. Work Plan. Interim Chair Kraft referred to the proposed work plan in the agenda packet. He highlighted how the council can use this document to manage all of its action items and responsibilities. Council members provided feedback on the document.



The council questioned the timing of its last meeting in 2017 and whether it will need MRO Board approval for its 2018 Work Plan. Richard Burt recommended the council have the 2018 Work Plan approved by the MRO Board by the end of 2017. MRO Board approval for the work plan all depends on how closely the items in the work plan tie to the charter. Therefore, Burt informed council members that MRO staff will help with those details when the time comes. Based on Burt's response, Interim Chair Kraft informed council members to leave the last council meeting as is until further notice.

The committee recessed for lunch at 11:47 a.m. and reconvened at 12:30 p.m.

- c. Deliverables. Interim Chair Kraft reviewed the proposed action items with attendees. Discussion ensued regarding the type of outreach the council would like to provide in 2017. The council members revised the work plan to incorporate contributing an article for each issue of the Midwest Reliability *Matters* newsletter, and four webinars regarding the Department of Homeland Security Survey Tool, Threat Intel 101, Ukraine Review and Action, and GridEx IV Overview and Preparation. The council set soft and hard deadlines for each deliverable on the work plan. Interim Chair Kraft confirmed that the work plan deliverables covered cybersecurity, physical security, and control systems.

Since the meeting was behind schedule, Interim Chair Kraft moved the following item ahead on the agenda.

6. MRO Representatives on the NERC Critical Infrastructure Protection Committee (CIPC)

- a. NERC CIPC Report. Marc Child, MRO Representative and Chair of the NERC CIPC, provided highlights from the last NERC CIPC meeting, which included an E-ISAC update, an Emerging Technology roundtable debrief, an approved work plan, and a regional briefing program. Child discussed how the NERC CIPC is changing to improve the participation of its members while attending NERC CIPC meetings. He hopes this will help make the NERC CIPC more productive.

The committee recessed for break at 1:55 p.m. and reconvened at 2:00 p.m.

Upon conclusion of the NERC CIPC Report, Interim Chair Kraft continued with Work Plan discussions.

- d. Assignments. Council members and guests volunteered for deliverables listed on the work plan. The assignments for deliverables were documented.

Upon a motion duly made and seconded, the MRO SAC unanimously approved the MRO SAC 2017 Work Plan as amended.

Since the meeting was behind schedule, Interim Chair Kraft moved the following item ahead on the agenda.

11. Partner Updates

Interim Chair Mike Kraft stated this agenda item is designed to make sure the council is developing partnerships with established entities and having discussions surrounding what is the right amount of information that should be flowing back and forth and with what mechanisms. He also stated the partners were invited today to provide a quick overview of their organization or provide an update.

- a. E-ISAC. Beth Gannett, E-ISAC Manager of Member Services, provided an update on the recent activities of the E-ISAC, which included E-ISAC programs, the portal improvements completed, and upcoming events. Gannett also reported that sharing and reporting is on the rise; however, the E-ISAC has only received three shares from the MRO Region in the fourth quarter of 2016. She hopes that by providing this update it will encourage entities in the MRO Region to share more. The council expressed interest with getting the word out there and sharing information in the future as it builds its outreach program.
- b. Mid-Continent Compliance Forum (MCCF) – CIP Working Group. Jenifer Holmes, Chair of the MCCF – CIP Working Group, informed the council about the working group being a private forum for registered entities in the mid-continent area that focuses on CIP Compliance. The working group meets to share knowledge, lessons learned, and general best practices. The meetings are informal and are interactive. The next meeting is March 2 at the MISO facility in Eagan, MN.
- c. MISO CIPUG. The council was informed that this group is now retired and is no longer active.
- d. Government Partners – FBI, DHS, ICS-CERT, Public Safety Canada, RCMP. Mike Christianson, new PSA in Minnesota from the Department of Homeland Security (DHS), reported that there are nine PSAs for eight different states in the MRO Region. He explained that PSAs are a resource to all critical infrastructure sectors and assist in anything the entities need regarding Physical Security.

James Gulak, Public Safety Canada – Saskatchewan Office, introduced himself and stated he is Mike Christianson’s counterpart in Canada. He provides the same type of function and services as DHS but in Saskatchewan, which is in the MRO Region. He also covers Manitoba. His role is to be a liaison, help build partnerships with stakeholders, make sure information is being shared efficiently, and to work together collaboratively for risk management.

Darin Hanson, Central Region Private Sector Engagement Subcommittee representative for the National Fusion Center Association, thanked the council for allowing him to attend the meeting. He recommended including the fusion centers in GridEx for entities participating.



- e. State PUC – MN. Kevin O’Grady from the Minnesota Public Utilities Commission (MN PUC) informed the council that the MN PUC is tasked with watching reliability for both the energy and telecom sectors. Since the MN PUC is tasked with paying attention to rates, it means it needs to be more cognizant of the challenges entities face and what is occurring in the industry, which is why he is attending the MRO SAC meeting.
- f. Trade Organizations. No contacts from trade organizations were in attendance.
- g. Industry. Tom Hofstetter, Senior CIP Compliance Auditor with the North American Electric Reliability Corporation (NERC), introduced himself and highlighted that besides E-ISAC services, NERC can answer compliance questions or concerns from the industry.

Upon conclusion of the Partner Updates, Interim Chair Mike Kraft continued with Agenda item 6b.

- b. MRO Representation on the NERC CIPC. Interim Chair Mike Kraft, on behalf of Tony Rowan, reviewed a draft report on what the expectations are of MRO Representation on the NERC CIPC, which included the purpose for representation, membership, voting expectations, and the roles of the primary and alternates members. He informed the council that the MRO representatives have never had a guide that identifies what is expected of them. Therefore, Interim Chair Kraft proposed the council review this document and have a possible action at a future meeting for recommendation to the MRO Board for approval. No concerns were raised by the council.

Action: MRO SAC members review the proposed document and provide feedback to Interim Chair Kraft by the next MRO SAC meeting.

- c. CIPC Regional Report. Interim Chair Kraft explained that the MRO Region will be giving a report to the NERC CIPC regarding its security activities on March 8, 2017. He referred the council members to the report and asked that members provide feedback. No comments were provided by the council.

7. MRO Security Conference Update

Steen Fjalstad, MRO Security and Mitigation Principal, reported that this will be the fourth year of the MRO Security Conference and last year’s agenda format received positive feedback. The agenda consisted of an executive talk, physical, cyber, insider threats, and then a government intelligence discussion. Fjalstad also informed the council to expect a meeting invite towards the end of February to discuss this conference in more detail now that it the MRO SAC is involved in the development of the conference.

A council member recommended the MRO SAC consider having a registered entity present at the conference regarding what it did in response to the Ukraine event, to prevent similar events from happening in the MRO region.

8. Cybersecurity Update

- a. *S4 Conference.* Interim MRO SAC Vice Chair Tim Anderson informed the council that he attended the Industrial Control Systems Cybersecurity Conference (S4 Conference) a few weeks ago. He highlighted that the conference covered a number of important topics, but some of the key topics of interest for the electric sector were the presentations of the Ukraine December incident, applying some of the safety concepts and processes to analyze cybersecurity, and new research on future solutions (e.g., Secure SCADA Protocol SSP21). Interim Vice Chair Anderson volunteered to send the URL for the SSP21 project to be included in the meeting minutes.

Action: Interim Vice Chair Anderson will provide the URL for the SSP21 project presented at the S4 Conference to Jennifer Matz for the meeting minutes.

- b. *Grizzly Steppe JAR and IOCs Discussion.* MRO SAC Member John Hochevar provided a breakdown of the Grizzly Steppe Joint Analysis Report (JAR) published by the U.S. Department of Homeland Security and the Federal Bureau of Investigation regarding the hacking of the DNC and some of the election processes. Hochevar discussed what kind of work occurred, what did and did not work, and how to relate this example to the MRO Region.

9. Physical Security Update

- a. *Security Management in the North American Electricity Sub-Sector Guideline.* Interim MRO SAC Chair Mike Kraft, informed the council about the Security Management in the North American Electricity Sub-Sector Guideline posted on NERC's website. He highlighted that the guide is a good compilation of Physical Security knowledge and is meant for registered entities that do not have a mature Physical Security Plan. He also informed attendees to keep an eye out for a final version of this document to be posted on the E-ISAC website in the near future.

10. EMS/SCADA/Control Center Security Update

- a. *Ukraine December 2016.* MRO SAC Member Tyler Stinson provided an overview of the second Ukraine incident that occurred in December 2016. This attack was the first successful large scale attack on a utility system. He stated that a lot of analysis has been done and information shared on this event. Stinson also stated that he questions what can be done to prevent this type of attack and whether it can be prevented. In addition, he thinks more time should be spent on improving resiliency after an attack.



12. Other Business

Interim Chair Mike Kraft asked the council if there were any other items that need to be discussed. No comments were provided by the council.

13. Adjourn

Having no further business to discuss, the meeting was adjourned at 3:24 p.m.

Prepared by: Jennifer Matz, Council Secretary – Your signature represents independent verification that what the minutes say happened, did actually happen.

Reviewed and Submitted by: Richard Burt, Vice President of Risk Assessment, Mitigation and Standards



Exhibit A – Meeting Attendees

Committee Members Present	
Name	Organization
Mike Kraft, Interim Chair	Basin Electric Power Cooperative
Tim Anderson, Interim Vice Chair	Dairyland Power Cooperative
Stephen Brown	Xcel Energy
Mark Gabel	MISO (via WebEx)
John Hochevar	American Transmission Company
Jodi Jensen	Western Area Power Administration
Brian Kollmansberger	Alliant Energy
Warren LaPlante	Minnesota Power (ALLETE, Inc.)
Tyler Stinson	Xcel Energy
MRO Staff	
Name	Title
Richard Burt	Vice President of Risk Assessment, Mitigation and Standards
Steen Fjalstad	Security and Mitigation Principal
Brian Kinstad	Risk Assessment and Mitigation Engineer
Jennifer Matz	Risk Assessment and Mitigation Administrator
William Steiner	Risk Assessment and Mitigation Principal
Miggie Cramblit (Teleconference)	Vice President, General Counsel, Corporate Secretary and Director of External Affairs
Guests In Person:	
Name	Organization
Marc Child	Great River Energy
Mike Christianson	U.S. Department of Homeland Security
Bob Griffith	Otter Tail Power Company
Tom Hofstetter	North American Electric Reliability Corporation
Jenifer Holmes	Alliant Energy
Christopher Lahr	Great River Energy
Elizabeth Mairs	Xcel Energy
Kevin O’Grady	Minnesota Public Utilities Commission
Richard Teegarden	Dakota Electric Association
Guests on Teleconference:	
Ron Bender	Nebraska Public Power District
Derek Cherneski	Saskatchewan Power Corporation
Paul Crist	Lincoln Electric System
Alexander D’Ambrosio	Central Power Electric Cooperative
Tony Eddleman	Nebraska Public Power District
James Gulak	Public Safety Canada – Prairie/NWT Region – SK Office
Nathan Helder	ALLETE, Inc.
Randy Wagner	Basin Electric Power Cooperative
Chuck Woods	MidAmerican Energy Company
Mark Lucas	Great River Energy
Erik Weinmeister	Nebraska Public Power District



Colleen Wachowski	ITC Midwest
Scott Stoner	Nebraska Public Power District
Beth Gannett	E-ISAC
Brandi Feldman	Nebraska Public Power District
John Collins	FoxGuard
Doug Johnson	American Transmission Company
Dustin Erhardt	Basin Electric Power Cooperative
Fred Hintermister	E-ISAC
Orlando Stevenson	E-ISAC
Tony Aukland	NDSLIC