

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Committee Assessments

2020 Assessment Year Results

Lauren Perotti, Senior Counsel

Corporate Governance and Human Resources Committee Meeting

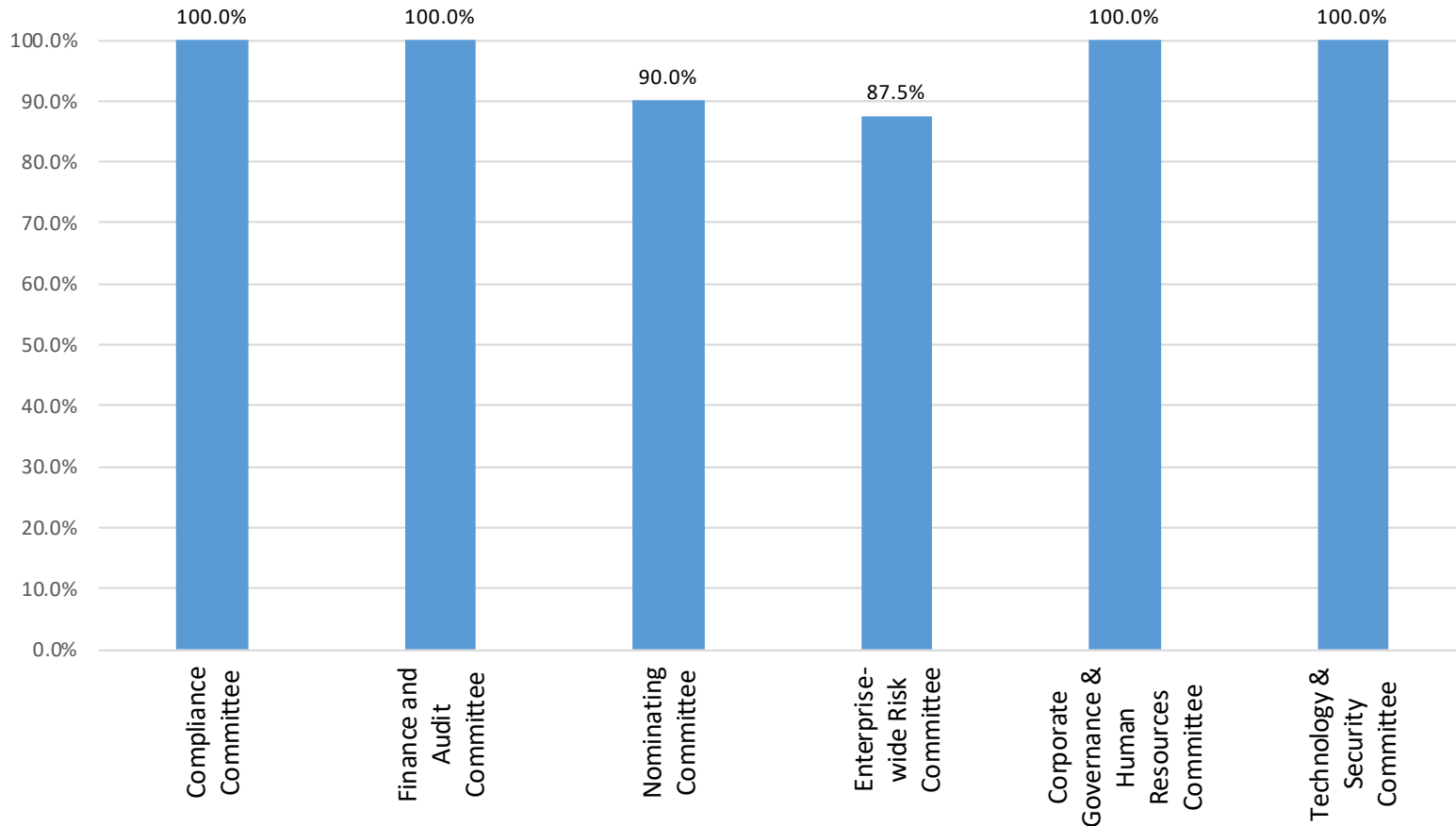
May 12, 2021

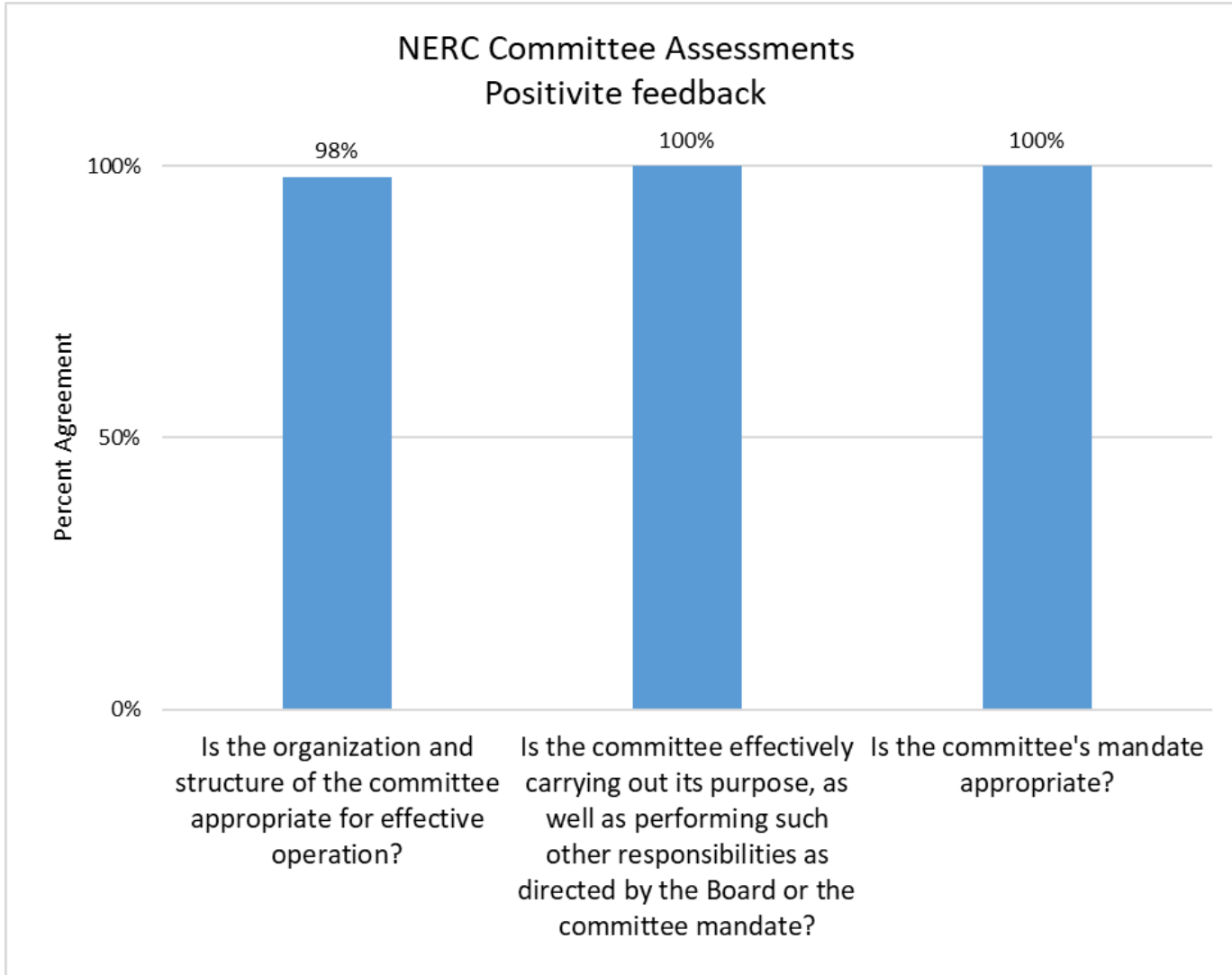
RELIABILITY | ACCOUNTABILITY



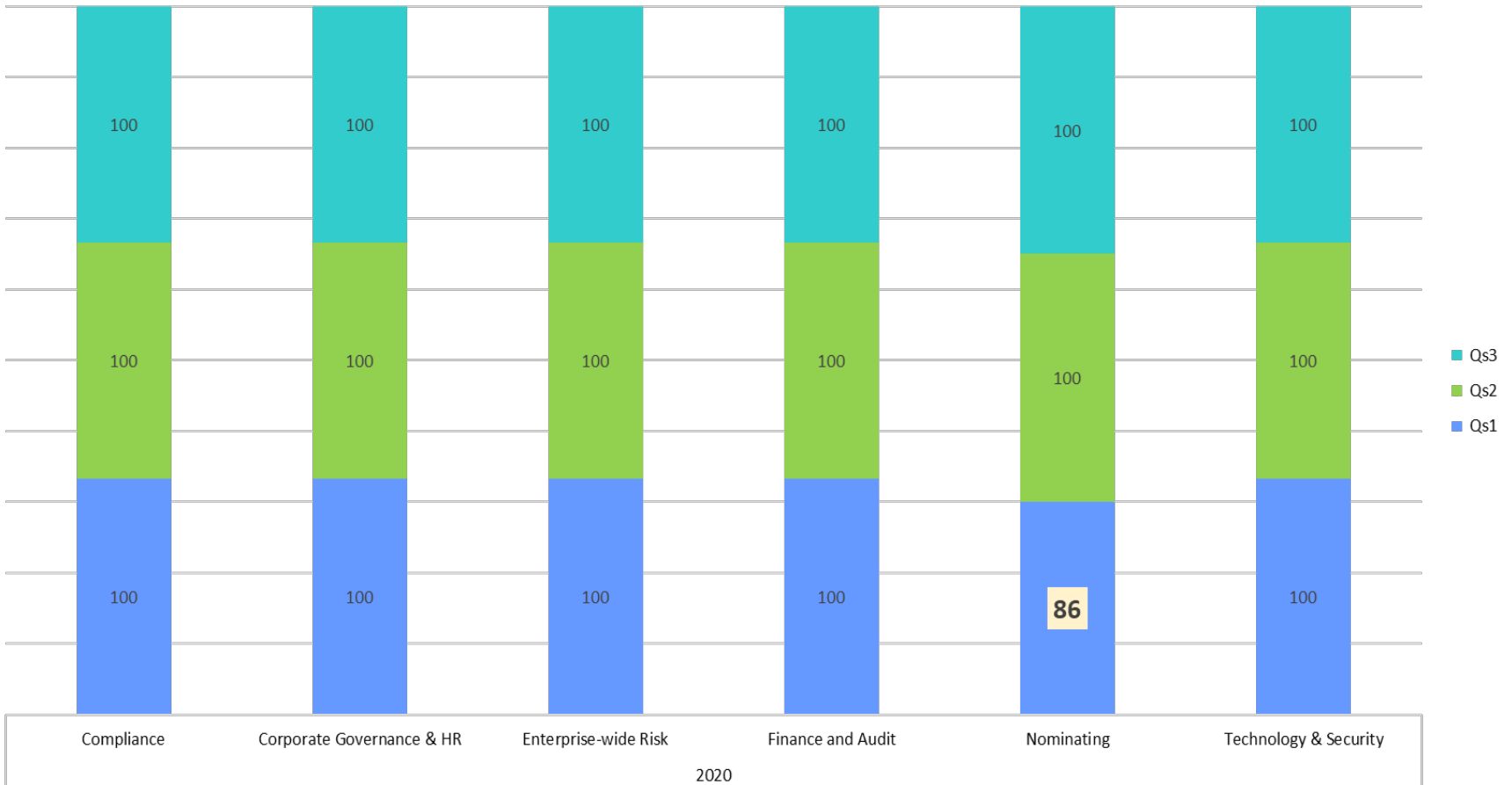
- Consistent questions used since 2018 (2017 assessment year):
 - Is the organization and structure of the committee appropriate for effective operation?
 - Is the committee effectively carrying out its purpose, as well as performing such other responsibilities as directed by the Board or the committee mandate?
 - Is the committee's mandate appropriate?
- Near 100% response rate:
 - Compliance Committee, 5 of 5 members – 100%
 - Nominating Committee, 9 of 10 members – 90%
 - Finance and Audit Committee, 5 of 5 members – 100%
 - Enterprise-wide Risk Committee, 7 of 8 members – 87.5%
 - Corporate Governance & Human Resources Committee, 6 of 6 members – 100%
 - Technology & Security Committee, 4 of 4 members – 100%
- Generally positive feedback:
 - 98% of all committee members responded “Yes” to question 1. All responded “Yes” to questions 2 and 3.

Percent participation





Is the organization and structure of the committee appropriate for effective operation?	Is the committee effectively carrying out its purpose, as well as performing such other responsibilities as directed by the Board or the committee mandate?	Is the committee's mandate appropriate?
---	---	---

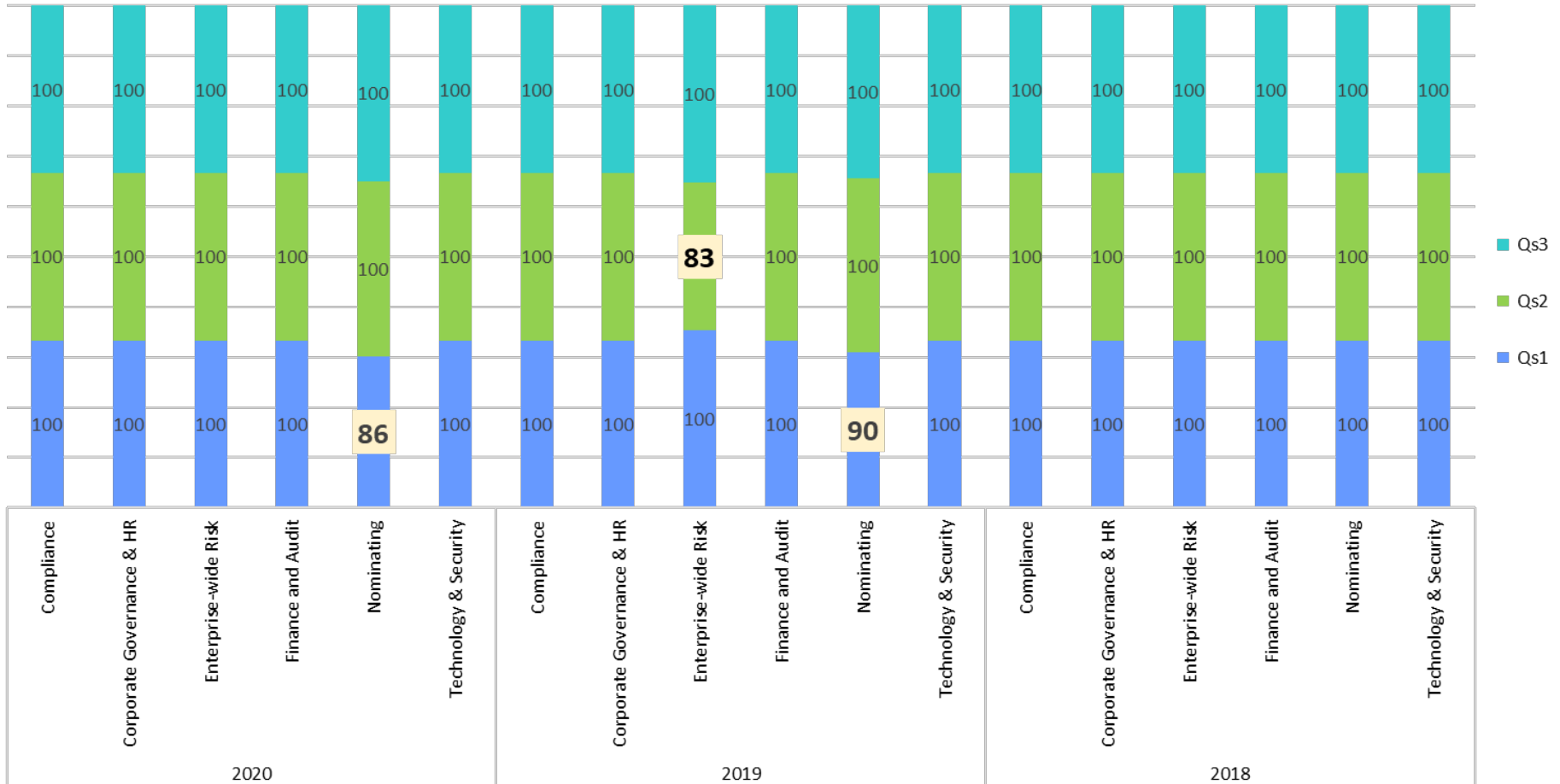


- Over the past few years, the Compliance Committee has continued to evaluate its purpose and its focus has been sharpened toward prioritizing the workload, engaging the Regions to manage within the prescribed guidelines with appropriate oversight and guidance, and addressing industry concerns with implementation of such initiatives as CMEP.
- The Nominating Committee has successfully evaluated and selected five new Trustees since 2018. As the industry landscape is fluid, the Committee has continued to focus on ensuring that they have access to people of diverse backgrounds with the requisite knowledge and skills to support the work of NERC, while ensuring the independence of the new Trustees.

- The Finance and Audit Committee and Regional Entities' continued focus of implementing efficiencies in the business plan and budget process over the past few years has resulted in two consecutive years of clean FERC orders. The Committee's ongoing commitment to evaluate its purpose has resulted in critical charter amendments including clarifying the interaction and coordination with other committees, including the Enterprise-wide Risk Committee.
- The Enterprise-wide Risk Committee has focused over the past few years on establishing a mandate that effectively covers the needs and purpose of the Committee to include embedding a risk culture in all corporate functions, clarifying roles with the Finance and Audit Committee in audit responsibilities, and understanding the level of participation by the Compliance and Certification Committee as a member of the Committee.

- The Corporate Governance and Human Resources Committee has over the past few years effectively continued its mandated responsibilities of corporate governance, understanding the scale and importance of the issues at hand even during the extreme challenges this year with COVID-19.
- As the newest Board Committee, the Technology and Security Committee has worked each year to focus on the appropriate security topics to include oversight of NERC's IT initiatives such as Align and the Secure Evidence Locker, a renewed focus overseeing the information security program and the E-ISAC, and providing guidance and input in real-time regarding active security threats (ex., the recent Supply Chain Compromise).

Is the organization and structure of the committee appropriate for effective operation?	Is the committee effectively carrying out its purpose, as well as performing such other responsibilities as directed by the Board or the committee mandate?	Is the committee's mandate appropriate?
---	---	---





Questions and Answers