

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# Results of Board of Trustees 2022 Annual Evaluation

Corporate Governance and Human Resources Committee  
Open Meeting  
May 10, 2023

**RELIABILITY | RESILIENCE | SECURITY**



- Board and MRC members show commitment to the evaluation process through a high response rate and thoughtful comments.
  - Trustee participation: 100%
  - MRC participation: 72%

- Increase engagement opportunities with primary stakeholders, new emerging stakeholders, and federal/provincial and state regulators and government.
- Focus on the emerging and changing reliability landscape to the grid by prioritizing risks, streamlining processes and increasing timeliness of activities.
- Evaluate Board of Trustees candidates for skillsets needed to address the ongoing changes in the industry.
- More robust discussions on critical issues at meetings.

- **Board Engagement** — Please provide your perspective on the level and quality of engagement of the Board as a whole, and the quality of the Board discussions you have observed
- **Board Oversight Responsibilities** — Please provide your perspective on the extent to which the Board is focused on the most important issues affecting the organization and whether the existing mechanisms, including Board Committee structures, meeting cadence and agenda topics, and existing management reporting tools provide appropriate visibility and information
- **Board Skills and Structure** — Please provide your perspective on the Trustee selection process and level of diversity of thought and skills represented in the Board, and how well these skills enable the Board to appropriately guide the organization toward its mission
- **Board Management** — Please provide your perspective on the content of the meeting agendas and agenda packages, the quality of the materials and presentations, and the procedures for running the meetings, as well as the productivity of the meetings themselves
- **Overall** — Is there one thing that the Board is doing exceptionally well? One thing that requires immediate improvement. In looking at NERC's strategy and the challenges facing the industry: What advice/suggestions do you have? Please provide any suggestions and other relevant perspectives not covered in the questions above

## MRC Themes

- Board members are approachable, engaged, and focused on the important issues.
- Good engagement, particularly with NERC and ERO Enterprise Staff.
- Tucson dinner and new format with longer breaks praised as a great opportunity for greater engagement with industry.
- Open meetings may appear to be “scripted” due to lack of controversy.
- Increased transparency on how industry input is used would be beneficial.

## Board Themes

- Board members are actively engaged, board diversity brings different perspectives.
- Appropriate focus and more time spent on strategic issues.
- Potential for straying into management’s lane, given complexity of the issues.
- 3 year plan and strategic sessions were very valuable.
- Trustees are prepared and not shy about expressing opinions.

## MRC Themes

Board oversight is good and focused on important reliability issues.

Continued focus on the prioritization of risks to the BES to include focusing on all the core drivers of the resource adequacy and fuel deliverability. Continued focus on streamlining processes and increasing the timeliness of activities (i.e., standards process) to address the threats in a much timelier fashion.

Consider providing a virtual option for all Board meetings.

## Board Themes

The Board is focused on and committed to the key issues.

Consider focus to the current ERO structure, is its mandate appropriate to address the emerging and changing reliability issues to the grid.

Continue to evaluate and determine gaps in Board oversight/line-of-sight in areas of importance (ex., standards development and CMEP).

## MRC Themes

The Board has good depth of skills, experiences, and diversity of backgrounds.

Refocus on ensuring representation from the electric industry, this is critical for fulfilling regulatory requirements and for overseeing the dramatic transformation that is occurring in the industry.

Increase transparency of the Board selection process.

## Board Themes

The Board has a great diverse set of skills, knowledge and experiences.

Continue evaluating the Board's structure and type of candidates considered to ensure the appropriate skillsets to keep pace with the changes in the industry.

## MRC Themes

Meetings are well run; meeting materials and presentations are focused on relevant and important topics and provide valuable information.

More robust discussions on the critical issues facing the industry should be occurring during the course of quarterly meetings – not so procedural.

Consider the value of the policy input letters (topics seem to overlap frequently this last year) or consider alternate methods of deciding on topics and framing of questions.

## Board Themes

The changes to the meeting structure focusing agendas on more strategic issues is working very well to include the implementation of the Technical Session and removing the informational technical content from the Board agendas.

Continue focus on reducing the duplication of information between Committee and Board meetings. Ensure materials are not too in the weeds and provide appropriate context and suggested responsive actions.



## MRC Themes

The Board is focused on prioritization of emerging issues.

The implementation of the increased engagement opportunities at the Board meetings was excellent and the Board should continue these opportunities.

More robust discussions/debate on the critical issues facing the industry should be occurring during the course of quarterly meetings – less scripted discussions.

The Board should continue engagement with policy makers to address challenges outside its scope (natural gas).

## Board Themes

The Board is operating effectively and meeting the requirements of its role.

Continued focus on improving interaction with all our primary stakeholders and the various levels of government with which we engage on priority issues to ensure solutions are moved forward in a timely manner.

Continue working on strategic issues and alignment of goals and resources.



# Questions and Answers