

Agenda

Member Representatives Committee

May 10, 2023 | 4:00 p.m. – 6:00 p.m. Eastern
Hybrid Meeting

In-Person (*Board, MRC, NERC Staff ONLY*)

NERC DC Office
1401 H Street NW, Suite 410
Washington, DC 20005

Virtual Attendees

Webinar Link: [Join Meeting](#)
Attendee Password: AttendeesMay2023 (28836333 from phones and video systems)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Consent Agenda

1. **Minutes - (Approve)**
 - a. February 15, 2022 Meeting*
 - b. April 12, 2023 Conference Call*

Regular Agenda

2. **Future Meetings***
3. **General Updates and Reports**
 - a. Board of Trustees Nominating Committee Update*
 - b. Business Plan and Budget Input Group Update*
 - c. Update on FERC Activities*
 - d. Regulatory Update*
 - e. Report on the May 9 Closed Meeting
4. **Policy and Discussion Items**
 - a. Responses to the Board's Request for Input*
 - i. Efforts to Address Effectiveness and Efficiency
 - b. Additional Discussion on May 10 Board Committee Meetings*
 - i. Compliance Committee

- ii. Technology and Security Committee
- iii. Corporate Governance and Human Resources Committee
- c. Additional Discussion on May 10 Technical Session*
- d. MRC Input and Advice on May 11 Board Agenda Items*

*Background materials included.

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Draft Minutes

Member Representatives Committee

February 15, 2023 | 3:30 p.m. – 5:00 p.m. Mountain

JW Marriott Tucson Starr Pass
3800 W Starr Pass Boulevard
Tucson, Arizona 85745

Outgoing Chair Roy Jones, with incoming Chair Jennifer Flandermeyer and incoming Vice Chair John Haarlow present, called to order a duly noticed meeting of the Member Representatives Committee (MRC) of the North American Electric Reliability Corporation (NERC) on February 15, 2023, at 3:30 p.m., Mountain, and a quorum was declared present. The agenda and MRC members and their proxies in attendance are attached as **Exhibits A** and **B**, respectively.

Introduction and Chair's Remarks

Mr. Jones welcomed attendees and thanked the NERC Board of Trustees (Board), MRC members, and NERC for their support, lauding the continued focus on addressing challenges the industry is facing. Ms. Flandermeyer presented Mr. Jones with a plaque, thanking him for his leadership on the MRC and commitment to the reliability and security of the bulk power system (BPS).

Ms. Flandermeyer welcomed new and returning MRC members, acknowledging the Board, Eric Vandenberg from the Federal Energy Regulatory Commission (FERC), Pat Hoffman from the Department of Energy, State Commissioner CJ Manthe, CAMPUT representative David Morton, and Anna Le from the Canada Energy Regulator. Ms. Flandermeyer acknowledged Travis Fisher, who recently resigned from the MRC, and noted the special nomination period open through March 7, 2023, to fill the remainder of his term as a Sector 8 representative.

NERC Antitrust Compliance Guidelines and Public Announcement

Ms. Iwanek directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda package, and indicated that all questions regarding antitrust compliance or related matters should be directed to Sonia Mendonca, senior vice president, general counsel, and corporate secretary at NERC.

Minutes

Upon motion duly made and seconded, the MRC approved the minutes of the November 15, 2022, and January 18, 2023, meetings as presented at the meeting.

Election of NERC Trustees

Bob Clarke, chair of the Board Nominating Committee (BOTNC), provided a report and recommendation for the election of three Board members. The MRC unanimously approved the re-election of Suzanne Keenan and Jim Piro, and the election of Kristine Schmidt for three-year terms ending in 2026. Ms. Flandermeyer congratulated Ms. Keenan, Mr. Piro, and Ms. Schmidt.

Ms. Flandermeyer noted that there are four Trustees with terms ending in February 2024, with all eligible for re-election. MRC members are encouraged to volunteer to participate on this year's BOTNC. Interested MRC members should notify Mr. Jones, Ms. Flandermeyer, and Ms. Iwanechko.

Ms. Flandermeyer recognized outgoing Trustee Roy Thilly and MRC members thanked him for his leadership and contributions. Ken DeFontes, Board chair, read a resolution adopted by the Board in honor of Mr. Thilly, thanking him for his twelve years of distinguished service as a member of the Board, including as chair from 2017-2021.

Future Meetings

The schedule of future meeting dates was included in the agenda package. Mr. DeFontes reminded attendees of recent changes to the Board meeting calendar. He acknowledged that the Board looks forward to MRC and stakeholder input on the new approach and will make adjustments as it deems appropriate. The May meeting will be in-person for MRC and Board members only in NERC's Washington, DC, office, with all other attendees participating virtually, and the August meeting will be a full in-person meeting in Ottawa, Ontario, Canada. The Board will also have a virtual-only meeting in December. An MRC member suggested that the Board and NERC consider a virtual option for all open Board and stakeholder meetings.

Plan for Evaluating MRC Governance and Effectiveness

Ms. Flandermeyer announced an effort to evaluate MRC effectiveness that will include convening a small team to gather input from MRC members and develop recommendations for discussion at a closed meeting with the MRC and Board during the week of the May 2023 meetings. MRC members interested in participating on the small team should notify Ms. Flandermeyer and Ms. Iwanechko.

Business Plan and Budget Input Group Update

Mr. Haarlow, chair of the business plan and budget (BP&B) input group, provided an update on the group's activities acknowledging that 2022 was the first year under a set of guiding principles that shifted the group's focus to more strategic discussions, which included reviewing NERC's priority focus areas and how they aligned to NERC's three year-strategic plan. BP&B input group leadership and NERC have discussed scheduling and planning activities for the group in 2023, as well as how to collaborate on key areas of concern from the MRC. The group will meet next month to begin their engagement in the process for the 2024 BP&B. MRC members interested in participating on the BP&B input group should notify Ms. Flandermeyer, Mr. Haarlow, and Ms. Iwanechko.

Update on FERC Activities

Eric Vandenberg, deputy director of the Office of Electric Reliability at FERC, acknowledged that Willie L. Phillips was named Acting Chairman of FERC on January 3, 2023. Mr. Vandenberg provided an update on recent FERC reliability activities, including the joint inquiry into the BPS during winter storm Elliott, revisions to cold weather Reliability Standards to implement recommendations from the joint inquiry into the February 2021 cold weather outages in Texas and South-Central United States, FERC technical conferences, physical security activities, and internal network security monitoring for high and medium impact Bulk Electric System cyber systems.

Regulatory Update

Ms. Mendonca invited questions or comments regarding the regulatory report, which highlights Canadian affairs, as well as past and future significant FERC filings.

Responses to the Board's Request for Input

Ms. Flandermeyer acknowledged the MRC's responses to Mr. DeFontes' January 11, 2023, letter requesting input on prioritization of activities and effective engagement, in addition to the preliminary agenda topics for the February meetings. Responses to the letter are [posted](#) on the NERC website.

Prioritization of Activities and Effective Engagement

Mark Lauby, senior vice president and chief engineer at NERC, provided a summary of the input received in response to the letter, which included the following suggestions: (1) improvements in processes for the Reliability and Security Technical Committee (RSTC) and Standards Committee (SC) which will be referred to those groups for consideration; (2) more collaboration with the reliability ecosystem to increase efficiency and effectiveness in bulk power system risk reduction; (3) focus on continent-wide risks, enabling Regional Entities to focus on Regional risks; (4) improved compliance monitoring and enforcement program processes to make it more risk-based without filing non-consequential violations, while still engaging in helpful discussions on improved controls; and (5) formation of a group that would focus specifically on prioritizing specific initiatives at NERC, and address new issues as they arise.

- An MRC member acknowledged the importance of continued collaboration and coordination, especially given the pace of change and the amount of work happening in different areas around related topics.
- MRC members acknowledged the large volume of work under the RSTC and highlighted a need for greater efficiency and coordination of RSTC activities and prioritization. Greg Ford, MRC member and RSTC chair, noted that the RSTC is currently focused on making improvements to its processes, highlighting the latest RSTC work plan, collaboration among RSTC working groups, and coordination with the Reliability Issues Steering Committee and Standing Committee Coordinating Group (SCCG). He noted that there are activities underway at the RSTC that may help address some of the concerns raised and there may be better ways of communicating that to industry.
- MRC members voiced a need for increased transparency into standing committee, task force, and working group activities, and encouraged NERC and its committees to ensure that all meeting schedules, agendas, and materials are consistently posted on the NERC website in easy to find locations.
- An MRC member requested information around the SCCG meetings and activities. Meeting agendas, minutes, and a quarterly report on activities are posted on the [SCCG webpage](#).
- An MRC member asked if NERC tracks metrics around how long it takes for a standard to go through the development process. Howard Gugel, vice president, engineering and standards at NERC, stated that NERC files standards metrics every five years and on average, the lifecycle of a standards project from the initiation of a Standard Authorization Request to completion is about

18 months. He also pointed attendees to the [project tracking spreadsheet](#) posted on the NERC website which identifies all active projects and their schedules.

Additional Policy Discussion of Key Items from Board Committee Meetings

Ms. Flandermeyer reminded attendees that full presentations were conducted at the Board committee meetings and would not be repeated during the MRC meeting. An MRC member asked how industry would be engaged on the report directed by FERC related to CIP-014. NERC staff noted that a draft would be circulated with the trade organizations in March. Attendees did not have any additional comments related to the Board's Finance and Audit, Compliance, Technology and Security, and Corporate Governance and Human Resources Committee meetings.

Additional Discussion on February 15 Technical Session

Attendees did not have additional comments on the items discussed during the February 15 Technical Session.

MRC Input and Advice on February 16 Board Agenda Items

Attendees did not have comments on the topics included on the Board's agenda for its meeting the next day.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko
Secretary

DRAFT Minutes

Member Representatives Committee Pre-Meeting Informational Session Conference Call and Webinar

April 12, 2023 | 11:00 a.m. – 12:00 p.m. Eastern

Introduction and Chair's Remarks

Chair Jennifer Flandermeyer convened a duly-noticed open meeting by conference call and webinar of the North American Electric Reliability Corporation (NERC) Member Representatives Committee (MRC) on April 12, 2023, at 11:00 a.m., Eastern. The meeting provided the MRC and other stakeholders an opportunity to preview proposed agenda topics for the MRC, Board of Trustees (Board), Board Committee, and Technical Session meetings scheduled to be held on May 10-11, 2023. The meetings will be held in Washington, D.C., for MRC and Board members, and all other participants will attend virtually. The meeting announcement and agenda are attached as **Exhibits A and B**, respectively.

NERC Antitrust Compliance Guidelines and Public Announcement

Kristin Iwanekko, MRC Secretary, directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda package, and indicated that all questions regarding antitrust compliance or related matters should be directed to Sonia Rocha, senior vice president, general counsel, and corporate secretary at NERC.

Schedule of Quarterly NERC Meetings and Conference Calls

The draft schedule of events for the upcoming meetings was included in the agenda package.

Review of Proposed Agenda Items for Second Quarter Open Meetings

Ms. Rocha reviewed the preliminary agenda items for the May 10-11, 2023, Board Committee and Board meetings that were identified in the slide presentation included in the agenda package. John Moura, director, reliability assessment and performance analysis, at NERC, reviewed the agenda items for the May 10, 2023, technical session. Ms. Flandermeyer reviewed the agenda items for the May 10, 2023 MRC meeting. MRC members should review all agenda materials for the Board and Board Committee meetings and technical session, once posted and available, and attend as many of these meetings as possible.

Input Letter Reminder

Ms. Flandermeyer announced that the Board's request for MRC input was issued on April 5, 2023, and responses are due by Wednesday, April 26, 2023, to Kristin Iwanekko, MRC Secretary. Ken DeFontes, Board chair, provided an overview of the request in the input letter focused on *Efforts to Address Effectiveness and Efficiency*.

The Board also requested input on the preliminary agenda topics presented during the MRC Informational Session. There will be time dedicated on the MRC's May 10, 2023, agenda for MRC members to provide input and advice on the Board agenda items after the final package has been posted.

Proxy Reminder

Proxy notifications for the May 10, 2023, meeting must be submitted in writing to Ms. Iwanechko.

Meeting Adjourned

There being no further business, the call was terminated.

Submitted by,



Kristin Iwanechko
Secretary

Future Meetings

Action

Information

Summary

The following are the future meeting dates for 2023 and 2024. The dates, locations, and/or platforms may be subject to change.

2023 Dates

August 16-17	Ottawa, ON, Canada
December 12	Virtual Board Meeting

2024 Dates

February 14-15	Houston, TX
May 8-9	Washington, DC (Hybrid Schedule*)
August 14-15	Vancouver, BC, Canada
December 13	Virtual Board Meeting

*Hybrid schedule: MRC and Board Members will attend the MRC and Board Open meetings in-person, all other participants will attend virtually.

Board of Trustees Nominating Committee Update

Action

Information

Summary

The following MRC members are serving on this year's Board of Trustees Nominating Committee (BOTNC):

1. **Jennifer Flandermeyer** – MRC Chair
2. **John Haarlow** – MRC Vice Chair
3. **Joel Dembowski** – Investor-Owned Utility (Sector 1)
4. **John Twitty** – State/Municipal Utility (Sector 2)
5. **Jason Marshall** – Cooperative Utility (Sector 3)

Robert G. Clarke, chair of the BOTNC, will provide a status report on the planned activities and schedule for the BOTNC.

Business Plan and Budget Input Group Update

Action

Information

Summary

The Business Plan and Budget (BP&B) Input Group (Input Group) was established as a means of soliciting MRC and stakeholder feedback on annual budget assumptions, cost drivers, and funding levels including assessments. The group meets primarily during the budget season and as needed in other months to receive updates and provide input to NERC management in support of the MRC's role in providing advice and feedback to the Board. The following MRC members are serving on this year's Input Group:

- **John Haarlow (Chair)** – MRC Vice Chair
- **Jennifer Flandermeyer** – MRC Chair
- **Joel Dembowski** – Investor-Owned Utility (Sector 1)
- **John Twitty** – State/Municipal Utility (Sector 2)
- **Brian Evans-Mongeon** – Transmission-Dependent Utility (Sector 5)
- **Lesley Gallinger** – ISO/RTO (Sector 10)

In addition to the above MRC members, the Input Group also includes NERC staff, the chair of the NERC Finance and Audit Committee (Colleen Sidford), and a representative from a Regional Entity (Tim Gallagher – RF).

Summary

The Input Group has met twice since the last update. On March 28, 2023, the Input Group welcomed its new member (Joel Dembowski) and reviewed the group's Guiding Principles. NERC staff also provided a follow-up on items that came out of the Input Group's meeting on December 9, 2022, including discussion that influenced the MRC Policy Input letter in February as well as NERC's efforts to effectively track and communicate progress against the 2023 BP&B and work plan priorities. The group also discussed how to increase the full MRC's visibility into the Input Group's discussions, and reviewed the [preparation schedule](#) for the NERC 2024 BP&B.

On May 1, 2023, the Input Group received an update from NERC on its 2024 BP&B development. This included the proposed budget and assessment for 2024 and projected for 2025 and 2026 to be included in the draft that will be posted for comment on or about May 25, 2023. This draft will also be reviewed along with the Regional Entity 2024 BP&Bs during the Finance and Audit Committee's public webinar scheduled for June 1, 2023.

John Haarlow, chair of the BP&B Input Group, will provide an update on behalf of the group at the May 10, 2023, MRC Meeting.

Update on FERC Reliability Matters

Action

Information

Summary

At the May 10, 2023, MRC meeting, David Ortiz, Director, Office of Electric Reliability (OER), FERC, will provide an update on recent FERC activity.

Update on Regulatory Matters (As of April 12, 2023)

Action

Information

FERC Orders Issued Since the Last Update

FERC orders are available on the NERC website [FERC Orders/Rules](#) page.

NERC Filings to FERC Since the Last Update

NERC filings to FERC are available on the NERC website [NERC Filings to FERC](#) page.

NERC Filings in Canadian Jurisdictions Since the Last Update

NERC filings to Canadian applicable governmental authorities are available on the NERC website [Canadian Filings and Orders](#) page. This page also contains links to the websites of each of the Canadian applicable governmental authorities, where orders, consultation records, and other records related to NERC matters may be found.

Processes for making standards enforceable and monitoring and enforcing compliance are specific to each jurisdiction in Canada. The Federal, Provincial, and Territorial Monitoring and Enforcement Sub-group (MESG) has developed provincial summaries of each province's electric reliability standard-making and enforcement functions, with U.S. comparators. The [Canada](#) page of the NERC website contains these summaries, as well as a link to the [Canadian MOUs](#) page.

Anticipated NERC Filings

Highlights of NERC filings that will be submitted to applicable governmental authorities in the U.S. and Canada appear below:

1. April 14, 2023 – NERC will submit a report on CIP-014-3 (Physical Security)
Docket No. RD23-2
2. May 15, 2023 – Within 45 days of the end of each quarter, NERC must submit the unaudited report of the NERC budget-to-actual spending variances during the preceding quarter.
Docket No. FA11-21-000
Pending Board approval
3. May 30, 2023 – NERC will submit a Petition for Approval of Revised Texas RE Regional Reliability Standard Development Process.
Docket TBD
Pending Board approval

4. May 30, 2023 – NERC will submit a quarterly filing in Nova Scotia of FERC-approved Reliability Standards.
5. June 15, 2023 – NERC will submit an update on the Project 2016-02 (Modifications to CIP Standards) Critical Infrastructure Protection Standard Drafting Team Schedule.
Docket No. RD20-2-000
6. June 30, 2023 – NERC will submit the Regional Entity Audits (5 year review directive).

Responses to the Board's Request for Input

Action

Discussion

Background

A letter requesting MRC input is issued by the Chair of the NERC Board of Trustees (Board) four to five weeks in advance of the quarterly meetings and includes relevant materials necessary to inform and prepare for discussion. Written input from the MRC and stakeholders is due three weeks after issuance and is then revisited during a dedicated discussion time on the MRC's agenda, in the presence of the Board.

Summary

For this quarter, the Board requested specific input on *Efforts to Address Effectiveness and Efficiency*. In addition, the Board requested input on preliminary Board, Board Committee, and MRC agenda topics. On May 10, 2023, the MRC can expect to participate in discussion on the responses received from the input request.

The input letter with its attachments and responses are posted with the Board's [May 2023 meeting materials](#).

Additional Discussion on May 10 Board Committee Meetings

Action

Discussion

Summary

On May 10, 2023, the Member Representatives Committee (MRC) will have additional time for discussion, as part of its own agenda, to respond to the information that is presented during the May 10, 2023, Board Committee meetings. Staff presentations made at the Board Committee meetings will not be duplicated at MRC meeting.

The Board committee agendas and associated background materials will be posted on the following webpages approximately one to two weeks in advance of the meetings:

[Compliance Committee](#)

[Technology and Security Committee](#)

[Corporate Governance and Human Resources Committee](#)

Additional Discussion on May 10 Technical Session

Action

Discussion

Summary

On May 10, 2023, the Member Representatives Committee (MRC) will have additional time for discussion, as part of its own agenda, to respond to the information that is presented during the May 10, 2023, Technical Session. Presentations made at the Technical Session will not be duplicated at MRC meeting.

The agenda and associated background materials are posted on the following webpage:

[Technical Session](#)

MRC Input and Advice on May 11 Board Agenda Items

Action

Discussion

Background

Article VIII, Section 1 of the [NERC Bylaws](#) states that the MRC shall have the right and obligation to “provide advice and recommendations to the Board with respect to the development of annual budgets, business plans and funding mechanisms, and other matters pertinent to the purpose and operations of the Corporation.”

In the input letter issued on April 5, 2023, the NERC Board of Trustees (Board) requested comments on the preliminary agenda topics for the May Board meeting that were reviewed during the April 12, 2023, MRC Informational Session. At the May 10, 2023, meeting, MRC members should come prepared to provide input on behalf of their sectors on the Board’s formal agenda package posted on April 27, 2023, on the following webpage:

[Board of Trustees](#)