

Minutes

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

Chair Jennifer Flandermeyer, with 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 May 10, 2023, at 4:00 p.m., Eastern, 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

Ms. Flandermeyer welcomed MRC members and virtual attendees, acknowledging the NERC Board of Trustees (Board), Pat Hoffman from the Department of Energy, David Ortiz from the Federal Energy Regulatory Commission (FERC), and Anna Le from the Canada Energy Regulator. Ms. Flandermeyer acknowledged Paul Choudhury and congratulated him on his upcoming retirement. She thanked Mr. Choudhury for his contributions to the MRC, including as past chair and vice chair and participation on many sub-groups. A special election will be held to fill the remainder of his term.

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 Rocha, senior vice president, general counsel, and corporate secretary at NERC.

Minutes

Upon motion duly made and seconded, the MRC approved the minutes of the February 15, 2023, and April 12, 2023, meetings as presented at the meeting.

Future Meetings

The schedule of future meeting dates was included in the agenda package. Mr. DeFontes noted that the August meetings will be held in-person in Ottawa, Ontario, Canada. The Board will evaluate the meeting rhythm and platforms in 2024.

Board of Trustees Nominating Committee Update

Bob Clarke, chair of the Board Nominating Committee (BOTNC), noted that there are four Trustees with terms ending in February 2024, with all eligible for re-election. Feedback from the MRC on the Trustees up for re-election is welcome. In August, the BOTNC will review and discuss the Board nominating and election process, including the BOTNC's roles and responsibilities.

Business Plan and Budget Input Group Update

Mr. Haarlow, chair of the business plan and budget (BP&B) input group, provided an update on BP&B input group discussions. The input group met twice since the last update and recently welcomed Joel Dembowski as a new member. During the recent meetings, the input group reviewed its guiding principles and received an update from NERC on its 2024 BP&B development, including the proposed budget and assessment for 2024 and projected budget and assessment for 2025. The input group also discussed steps NERC is taking to assess office space needs in anticipation of the Atlanta lease expiring in 2025, progress on NERC's 2023 Work Plan Priorities and the benefits they provide to NERC and industry, synergies between NERC and federal programs, attrition rate assumptions and the market demand for technical expertise, and pros and cons of a remote workforce along with needs for in-person meetings and collaboration.

Mr. Haarlow reminded attendees that NERC's 2024 BP&B will be posted for industry comment at the end of May and the NERC Board Finance and Audit Committee will host a webinar on June 1, 2023, to review the NERC and Regional Entity 2024 BP&Bs.

Update on FERC Activities

David Ortiz, director, office of electric reliability at FERC, provided an update on the following FERC reliability activities: Chairman Phillips' priorities of reliability, affordability, and sustainability; FERC orders on cold weather standards (EOP-011 and EOP-012), supply chain revisions for low-impact cyber systems (CIP-003-9), and incentive-based rate treatment for utilities making certain voluntary cybersecurity investments; NERC's report on the effectiveness of the physical security Reliability Standard (CIP-014-3); and March 29, 2023, Commission-led roundtable on environmental justice and equity.

Regulatory Update

Ms. Flandermeyer noted that the regulatory update was included in the posted agenda package and will be included as an informational item only going forward.

Report on the May 9 Closed Meeting

Ms. Flandermeyer provided a summary of the May 9 closed meeting, which focused on a strategic discussion on the MRC effectiveness review results and feedback on NERC Board effectiveness. In February 2023, the MRC established a sub-team to evaluate the MRC's effectiveness in executing its responsibilities. The sub-team conducted separate listening sessions of each of the MRC's eleven voting Sectors, NERC Trustees Ken DeFontes and Suzanne Keenan, and members of the NERC Finance team, in addition to offering non-voting members to provide input at their discretion. Based on the input received, the MRC effectiveness team identified themes, initial recommendations, and areas for additional discussion. In addition to discussion on MRC effectiveness, Board and MRC members had a candid conversation on the feedback from the 2023 evaluation of Board effectiveness. Board and MRC members expressed appreciation for the discussions at the closed meeting.

The MRC unanimously endorsed the initial recommendations and initiation of an evaluation around areas for additional discussion resulting from the MRC effectiveness review as presented during the closed meeting (**Exhibit C**). The MRC will convene small teams to evaluate the areas identified for additional discussion.

Responses to the Board's Request for Input

Ms. Flandermeyer acknowledged the MRC's responses to Mr. DeFontes' April 5, 2023, letter requesting input on efforts to address effectiveness and efficiency in the standards development process, in addition to the preliminary agenda topics for the May meetings. Responses to the letter are [posted](#) on the NERC website.

Efforts to Address Effectiveness and Efficiency

Mark Lauby, senior vice president and chief engineer at NERC, summarized input received and highlighted support for NERC to improve its processes and be agile with a desire for increased communication and engagement, requests for NERC to be mindful of rate recovery and cost implications, and concerns that stakeholders are overwhelmed by projects and did not feel their input was heard during recent revisions to the Standard Processes Manual.

Ms. Flandermeyer also highlighted themes from the input around building engagement earlier in the standards development process, gaps in coordination between segments and sectors, better identification of a standard's value, providing additional information and context to ensure stakeholders understand what they're voting on, and outreach with stakeholders at multiple levels.

MRC members reinforced comments provided in written input, focusing on the need to clarify the issue being addressed by a standard or standard revision early in the process, improve communications between NERC and stakeholders, improve communications and coordination within organizations and across sectors and segments, and improve prioritization.

Additional Discussion on May 10 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 suggested a report on advice resulting from the cold weather small group advisory sessions at the next Board Compliance Committee meeting. Attendees did not have any additional comments related to the Board's Compliance, Technology and Security, and Corporate Governance and Human Resources Committee meetings.

Additional Discussion on May 10 Technical Session

Attendees did not have additional comments on the items discussed during the May 10 Technical Session.

MRC Input and Advice on May 11 Board Agenda Items

Attendees did not have any other 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

Agenda

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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.

Member Representatives Committee - Attendance (May 10, 2023)

Voting Members

First Name	Last Name	Sector
Jennifer	Flandermeyer	Chair
John	Haarlow	Vice Chair
Joel	Dembowski	1. Investor-Owned Utility
Rachel	Snead	1. Investor-Owned Utility
John	Twitty	2. State/Municipal Utility
Greg	Ford	3. Cooperative Utility
Jason	Marshall	3. Cooperative Utility
Edison	Elizeh	4. Federal/Provincial
Stephane	Desbiens	4. Federal/Provincial
Paul	Choudhury	4. Federal/Provincial
Brian	Evans-Mongeon	5. Transmission-Dependent Utility
Mark	Spencer	6. Merchant Electricity Generator - Proxy Marji Philips
Sean	Cavote	6. Merchant Electricity Generator
Matt	Fischesser	7. Electricity Marketer
Brad	Cox	7. Electricity Marketer
Venona	Greaff	8. Large End-Use Electricity Customer
Michael	Moody	9. Small End-Use Electricity Customer
Darryl	Lawrence	9. Small End-Use Electricity Customer
Gordon	van Welie	10. ISO/RTO - Proxy Matt Goldberg
Lesley	Gallinger	10. ISO/RTO
Richard	Dewey	10. ISO/RTO

Non-Voting Members

First Name	Last Name	Sector
Anna	Le	Canadian Federal
David	Ortiz	U. S. - Federal
Dr. Dana	Born	Regional Entity - MRO - Proxy Tom Graham
Milo	Blair	Regional Entity - NPCC
Antonio	Smyth	Regional Entity - RF - Proxy Tim Gallagher
Jason	Blake	Regional Entity - SERC
Curt	Brockmann	Regional Entity - Texas RE - Proxy Jim Albright
Melanie	Frye	Regional Entity - WECC
Kristin	Iwanechko	Secretary

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

MRC Effectiveness Review

Initial Recommendations and Areas for Additional
Discussion

RELIABILITY | RESILIENCE | SECURITY



1. Clarify MRC roles and responsibilities, ensuring alignment among the MRC, NERC Board, and NERC leadership
2. Garner input from MRC members regarding meeting content and input letter topics ahead of meetings
3. Create opportunities for increased interaction among MRC members and between MRC members, Board, and NERC leadership
 - Informal outreach to MRC members from MRC leadership
 - Informal networking opportunities for MRC members during in-person meeting weeks
 - Share MRC contact information with MRC members
4. Evaluate MRC informational session and how that time can be used differently to be more valuable and help better prepare MRC members for quarterly meetings (e.g., use info session to provide more background and context for presentations that will be given at quarterly meetings, without duplicating presentations across meetings)

5. Improve onboarding of new members

- Revamp new member orientation to include more focus on areas including, but not limited to:
 - NERC and Regional Entity construct
 - Board members; overview of nomination and election process and consider opportunities for a “meet and greet” for new Board members and MRC members
 - Explanation of NERC membership/sectors vs Registered Ballot Body/segments vs Registered Entities
 - Standing committee structure, including their roles and how they fit together
 - NERC’s key focus areas and guidance on where MRC members can find more information
 - Committees and groups that MRC members can participate in (i.e., BOTNC, BP&B input group, RISC, etc.), the role of those groups, and current MRC participation on each group
- Open annual new member orientation in February to all MRC members and conduct a refresh in August
- Create an ambassador/mentor system for new MRC members

6. Clarify expectations of MRC chair and vice chair (e.g., informal engagement with MRC members, roles on other groups or committees)
7. Obtain better alignment on progress toward reliability priorities through direct linkages between work plan priorities and strategic focus areas
8. Approach future MRC effectiveness reviews in a similar manner through interviews, rather than written surveys
9. Conduct annual review of MRC Governance Guidelines

- Culture of Collaboration and Engagement
- Balancing Technical and Policy Discussions
- MRC Value Proposition
- MRC Structure
- Disconnect on the value of MRC input
- Closed MRC Meeting Opportunities to Discuss MRC Strategy