

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Operating Committee Charter

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RELIABILITY | ACCOUNTABILITY



3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326

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Section 1. Purpose

The purpose of the Operating Committee (OC) is to promote continent wide Bulk-Power System operational reliability excellence.

Section 2. General Overview and Functions

1. General forum.

Provides a general forum for aggregating ideas and interests regarding the operations of the interconnected Bulk-Power Systems in North America.

2. Advice and recommendations.

Provides the electric reliability organization (ERO) (stakeholders, Board of Trustees, and staff) with advice, recommendations, and the collective and diverse opinions on matters related to interconnected operations to help the industry arrive at informed decisions.

3. Support for other NERC programs.

Provide technical advice and subject matter expert support to each of the NERC program areas, and serve as a forum to integrate the outputs of each ERO program area, including:

- a. **Reliability Assessments** – Review reliability assessments, assure technical accuracy and completeness of results, and endorse approval of assessments to NERC’s Board of Trustees (Board).
- b. **Emerging Issues and Reliability Concerns** – Identify emerging issues within the electric industry, address issues in reliability assessments, and address other issues as assigned by the Board.
- c. **Operational Analyses** – Develop operational analyses, model validation, and key reliability areas, resulting in technically accurate and comprehensive reports addressing these areas (i.e., frequency response, intermittent generation, smart grid, etc.). Provide recommendations that facilitate addressing the reliability risks identified. Provide oversight, guidance, and direction to address key planning related issues.
- d. **Standards Input** – Provide technical expertise and feedback to Standard Authorization Requests (SARs) that have reliability-related impacts, provide foundational technical efforts that support the key reliability operational related standards development, coordinate effectively with the Standards Committee to maintain alignment on priorities of related OC efforts, develop and vet operational guidelines with industry stakeholders, and provide reliability risk information for prioritization of SARs and new Reliability Standards.
- e. **Metrics** – Provide direction, technical oversight, and feedback on the NERC Adequate Level of Reliability (ALR) metrics.
- f. **Event Analysis** – Review all event reports to determine lessons learned and good industry practices and promote the dissemination of information to the industry to enhance reliability.
- g. **NERC Alerts** – Participate in the review and development of requests for industry actions and informational responses.
- h. **Guidelines and Technical Reports** – Develop guidelines, white papers, technical reports and reference documents to address emerging issues and industry concerns related to system operations.

4. Review and approval of Reliability Coordinator Plans.

Comply with existing requirements for review and approval of Reliability Coordinator plans.

5. Review of foundational changes to interconnected operations.

Review and provide constructive feedback regarding foundational changes to interconnected operations, such as changes to the footprints of reliability coordinators, balancing authorities, transmission operators, Interconnections, field tests and HVDC ties, etc.

6. Review, manage and coordinate the following documents.

- a. The technical content of the NERC Reliability Functional Model.
- b. Reliability Guidelines (See Appendix 3).

7. Opinions and interpretations.

Provide technical opinions at the industry stakeholders' request on operating reliability concepts, philosophies, and standards.

Section 3. Membership

1. Goals.

The OC provides for balanced decision making by bringing together a wide diversity of opinions from industry experts with outstanding technical knowledge and experience in the area of interconnected systems operation reliability.

2. Expectations.

OC voting members are expected to:

- a. Bring subject matter expertise to the OC
- b. Be knowledgeable in reliable operations within their organization
- c. Attend and participate in all OC meetings
- d. Express their own opinions, as well as the opinions of the sector they represent, at committee meetings
- e. Complete committee assignments
- f. Inform the secretary of any changes in their status that may affect their eligibility for committee membership. Failure to do so in a timely manner may result in the member's dismissal by the chair.

3. Representation.

See Appendix 1, "Committee Members"

- a. Committee members may, but need not be, NERC members. A non-voting representative must meet the requirements defined in Appendix 1. Voting members, with the exception of sector 11 that appoints its members, may hold a position in any sector in which they would be eligible for NERC membership, even if they are a NERC member in another sector. Questions regarding eligibility for committee membership will be referred to the NERC general counsel for final determination of status.
- b. To ensure adequate Canadian representation, the membership to the committee may be increased so that the number of Canadian voting members is equal to the percentage of the net energy for load (NEL) of Canada to the total NEL of the United States and Canada, times the total number of voting members on the committee, rounded to the next whole number.

4. Selection.

With the exception of sector 11, NERC sector members will annually elect voting committee members to committee sectors corresponding to their NERC sector under an election process that is open, inclusive, and fair. The selection process will be completed in time for the secretary to send the committee membership list to the Board for its approval at the Board's August meeting so that new committee members may be seated at the September meeting.

- a. Un-nominated voting member positions will remain vacant until the next annual or special election. If a vacancy in an elected sector is created by a resignation or other cause, a special election will be held unless it would coincide with the annual election process. Special elections shall follow the same procedure as the annual election.
- b. Members may not represent more than one committee sector.
- c. A particular organization, including its affiliates, may not have more than one member on the committee.

- d. If additional Canadian members are added, no more than one additional Canadian voting member shall be selected from a sector unless this limitation precludes the addition of the number of additional Canadian voting representatives required by Section 3.3.b. In this case, no more than two additional Canadian voting members may be selected from the same sector.
- e. The secretary will monitor the committee selection process to ensure that membership specifications are met.
- f. After the secretary announces the election results, the newly elected members will serve on the committee pending approval by the Board. The secretary will submit the newly elected members' names to the Board for approval at the Board's next regular meeting.

5. Terms.

Members' terms are staggered, with one-half of the members' terms expiring each year. Except for the cases described below, a member's term is two years. Members may be re-elected for subsequent terms. Shorter terms may be required for several reasons:

- a. If two members are simultaneously selected to a sector that did not have any existing members, in order to stagger their terms, one member will be assigned a one-year term and the second member will be assigned a two-year term using a fair and unbiased method.
- b. If a member replaces a departed member between elections, the new member will assume the remaining term of the departed member.
- c. If a member fills a vacant member position between elections, his/her term will end when the term for that vacant position ends.

6. Resignations, Vacancies, and Nonparticipation.

- a. Members who resign will be replaced for the time remaining in the member's term. Members will be replaced pursuant to Section 3.4, officers will be replaced pursuant to Section 5, and executive committee members will be replaced pursuant to Section 7.
- b. Newly elected or appointed members will serve on the committee pending approval by the Board. The secretary will submit new members' names to the Board for approval at the Board's next regular meeting.
- c. The committee chair will contact any member who has missed two consecutive meetings (even if the member has sent a proxy) to 1) seek a commitment to actively participate or 2) ask the member to resign from the committee.
- d. The chair may remove any member who has missed two consecutive meetings (even with a proxy).

7. Proxies.

A member of the committee may give a proxy only to a person who:

- a. Meets the member's eligibility requirements (see Section 3.3a) and is not affiliated with the same organization as another committee member (see Section 3.4c), or
- b. Is not another committee member, unless that committee member would represent the proxy's sector instead of his/her own sector at the meeting.

To permit time to determine a proxy's eligibility, proxies must be submitted to the secretary in writing at least one week prior to the meeting (electronic transmittal is acceptable). Any proxy submitted after that time will be accepted at the chair's discretion, provided that the chair believes the proxy meets the eligibility requirements.

Section 4. Meetings

See Appendix 2, “Meeting Procedures.” In the absence of specific provisions in the Charter document,, the OC will follow Roberts Rules of Order, Newly Revised.

1. Quorum.

A quorum requires two-thirds of the voting members.

2. Voting.

Except for sector 11, each voting member of the committee shall have one vote on any matter coming before the committee that requires a vote. Sector 11 voting is specified in Appendix 1. Actions by members of the committee shall be approved upon receipt of the affirmative vote of two-thirds of the voting members of the committee present and voting, in person or by proxy, at any meeting at which a quorum is present. The chair and vice chair may vote. Additional voting guidelines are in Appendix 2. Voting may take place during regularly scheduled in-person meetings or may take place via electronic mail, facsimile or conference call

3. Antitrust Guidelines.

All persons attending or otherwise participating in the committee meeting shall act in accordance with NERC’s Antitrust Compliance Guidelines at all times during the meeting. A copy of the NERC antitrust statement shall be included with each meeting agenda.

4. Open Meetings.

NERC committee meetings shall be open to the public, except as noted below under Confidential Sessions. Although meetings are open, only voting members may offer and act on motions.

5. Confidential Sessions.

The chair of a committee may limit attendance at a meeting or portion of a meeting, based on confidentiality of the information to be disclosed at the meeting. Such limitations should be applied sparingly and on a non-discriminatory basis as needed to protect information that is sensitive to one or more parties. A preference, where possible, is to avoid the disclosure of sensitive or confidential information so that meetings may remain open at all times. Confidentiality agreements may also be applied as necessary to protect sensitive information.

Section 5. Officers

1. Terms and conditions.

At its first June meeting and every two years thereafter, the committee shall select a chair and vice chair from among its voting members by majority vote of the members of the committee to serve as chair and vice chair of the committee from the end of that June meeting until the end of the June meeting two years later. The newly selected chair and vice chair shall not be representatives of the same sector.

- a. Pending approval by the Board, the newly elected officers will assume their duties as stated above. The secretary will submit the names of the elected officers to the chair of the Board for approval at the Board's next regular meeting.
- b. The chair and vice chair, upon assuming such positions, shall cease to act as representatives of the sectors that elected them as representatives to the committee and shall thereafter be responsible for acting in the best interests of the members as a whole.

2. Selection.

The committee selects officers using the following process. The chair is selected first, followed by the vice chair.

- a. The nominating subcommittee will present its recommended candidate.
- b. The chair opens the floor for nominations.
- c. After hearing no further nominations, the chair closes the nominating process.
- d. The committee will then vote on the candidate recommended by the nominating subcommittee, followed by the candidates nominated from the floor in the order in which they were nominated. The first candidate to garner the majority of the committee's votes will be selected.
- e. If the committee nominates one person, that person is automatically selected as the next chair.
- f. If the committee nominates two or more persons, and none receive a majority of the committee's votes, then the secretary will distribute paper ballots for the members to mark their preference.
- g. The secretary will collect the ballots. If the committee nominates three or more candidates, then the winner will be selected using the Instant Runoff Process. (Explained in Roberts Rules of Order)

Section 6. Subcommittees

1. Appointing subgroups.

The OC may appoint technical subcommittees, task forces, and working groups as needed.

2. Nominating subcommittee.

At the first regular meeting following the selection of a new committee chair, the chair will nominate, for the committee's approval, a slate of five committee members from different sectors to serve as a nominating subcommittee. The subcommittee will:

- a. Recommend candidates for the committee's chair and vice chair, and
- b. Recommend candidates for the executive committee's four "at large" members.

Section 7. Executive Committee

1. Authorization.

The executive committee of the OC is authorized by the OC to act on its behalf between regular meetings on matters where urgent actions are crucial and full committee discussions are not practical. Ultimate OC responsibility resides with its full membership whose decisions cannot be overturned by the executive committee, but retains the authority to ratify, modify, or annul executive committee actions.

2. Membership.

The committee will elect an executive committee of six members, all from different sectors, as follows:

- a. Chair
- b. Vice-chair
- c. Four at-large members from different sectors nominated by the nominating subcommittee.

3. Election Process.

The nominating subcommittee will present its slate of candidates for the four “at large” members.

- a. The chair opens the floor for additional nominations.
- b. If the Committee members nominate additional candidates, then the secretary will distribute paper ballots for the members to list their top four candidates.
- c. The four candidates who receive the most votes will be elected, provided that no two candidates may be from the same sector.

4. Terms.

The executive committee will be replaced every two years, with the chair and vice chair replaced at a June meeting and the at-large members replaced at a September meeting.

Section 8. Action Without A Meeting

The OC may act by mail or electronic (facsimile or e-mail) ballot without a regularly scheduled meeting. Two-thirds of the members present and voting is required to approve any action. A quorum for actions without a meeting is two-thirds of the OC members. The OC chair or four members (each from different industry segments) may initiate the request for such action without a meeting. The secretary shall post a notice on the NERC website and shall provide OC members with a written notice (letter, facsimile, or e-mail) of the subject matter for action not less than five business days prior to the date on which the action is to be voted. The secretary shall distribute a written notice to the OC (letter, facsimile, or e-mail) of the results of such action within five business days following the vote and also post the notice on the NERC website. The secretary shall keep a record of all responses (e-mail, facsimiles, etc.) from the OC members with the OC minutes.

Appendix 1 – Committee Members

Name	Definition	Members
Voting Members		
1. Investor-owned utility	This sector includes any investor-owned entity with substantial business interest in ownership and/or operation in any of the asset categories of generation, transmission, or distribution. This sector also includes organizations that represent the interests of such entities.	2
2. State/municipal utility	This sector includes any entity owned by or subject to the governmental authority of a state or municipality, that is engaged in the generation, delivery, and/or sale of electric power to end-use customers primarily within the political boundaries of the state or municipality; and any entity, whose members are municipalities, formed under state law for the purpose of generating, transmitting, or purchasing electricity for sale at wholesale to their members. This sector also includes organizations that represent the interests of such entities.	2
3. Cooperative utility	This sector includes any non-governmental entity that is incorporated under the laws of the state in which it operates, is owned by and provides electric service to end-use customers at cost, and is governed by a board of directors that is elected by the membership of the entity; and any non-governmental entity owned by and which provides generation and/or transmission service to such entities. This sector also includes organizations that represent the interests of such entities.	2
4. Federal or provincial utility/Federal Power Marketing Administration	This sector includes any U.S. federal, Canadian provincial, or Mexican entity that owns and/or operates electric facilities in any of the asset categories of generation, transmission, or distribution; or that functions as a power marketer or power marketing administrator. This sector also includes organizations that represent the interests of such entities. One member will be a U.S. federal entity and one will be a Canadian provincial entity.	2
5. Transmission dependent utility	This sector includes any entity with a regulatory, contractual, or other legal obligation to serve wholesale aggregators or customers or end-use customers and that depends primarily on the transmission systems of third parties to provide this service. This sector also includes organizations that represent the interests of such entities.	2

Name	Definition	Members
Voting Members		
6. Merchant electricity generator	This sector includes any entity that owns or operates an electricity generating facility that is not included in an investor-owned utility's rate base and that does not otherwise fall within any of sectors (i) through (v). This sector includes but is not limited to cogenerators, small power producers, and all other non-utility electricity producers such as exempt wholesale generators who sell electricity at wholesale. This sector also includes organizations that represent the interests of such entities.	2
7. Electricity marketer	This sector includes any entity that is engaged in the activity of buying and selling of wholesale electric power in North America on a physical or financial basis. This sector also includes organizations that represent the interests of such entities.	2
8. Large end-use electricity customer	This sector includes any entity in North America with at least one service delivery taken at 50 kV or higher (radial supply or facilities dedicated to serve customers) that is not purchased for resale; and any single end-use customer with an average aggregated service load (not purchased for resale) of at least 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility. This sector also includes organizations that represent the interests of such entities.	2
9. Small end-use electricity customer	This sector includes any person or entity within North America that takes service below 50 kV; and any single end-use customer with an average aggregated service load (not purchased for resale) of less than 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility. This sector also includes organizations (including state consumer advocates) that represent the interests of such entities.	2
10. Independent system operator/Regional transmission organization	This sector includes any entity authorized by the Commission to function as an independent transmission system operator, a Regional transmission organization, or a similar organization; comparable entities in Canada and Mexico; and the Electric Reliability Council of Texas or its successor. This sector also includes organizations that represent the interests of such entities.	2
11. Regional Entity	This sector includes any Regional Entity as defined in Article I, Section 1, of the Bylaws of the corporation. In aggregate, this sector will have voting strength equivalent to two members. The voting weight of each Regional member's vote will be set such that the sum of the weight of all available Regional Entity members' votes is two votes.	2

Appendix 1 – Committee Members

Name	Definition			Members
Voting Members				
	<u>RE</u> FRCC RFC TRE MRO NPCC SERC SPP WECC	<u>Number of Members</u> 1 1 1 1 1 1 1 1	<u>Proportional Voting</u> X X X X X X X X	
12. State government	(See Government representatives below)			2
Officers	Chair and Vice Chair			2
Total Voting Members				26
Non-Voting Members¹				
Government representatives	This sector includes any federal, state, or provincial government department or agency in North America having a regulatory and/or policy interest in wholesale electricity. Entities with regulatory oversight over the Corporation or any Regional Entity, including U.S., Canadian, and Mexican federal agencies and any provincial entity in Canada having statutory oversight over the Corporation or a Regional Entity with respect to the approval and/or enforcement of Reliability Standards, may be non-voting members of this sector.			
	United States federal government			2
	Canadian federal government			1
	Provincial government			1
Secretary	The committee secretary will be seated at the committee table			1
Subcommittee Chairs	The chairs of the subcommittees will be seated at the committee table.			

¹ Industry associations and organizations and other government agencies in the U.S. and Canada may attend meetings as non-voting observers.

Appendix 2 – Meeting Procedures

1. Voting Procedures for Motions.

- a. The default procedure is a voice vote.
- b. If the chair believes the voice vote is not conclusive, he/she may call for a show of hands.
- c. The chair will not specifically ask those who are abstaining to identify themselves when voting by voice or a show of hands.
- d. The committee may conduct a roll-call vote in those situations that need a record of each member's vote.
 - i. The committee must approve conducting a roll call vote for the motion.
 - ii. The secretary will call each member's name.
 - iii. Members answer "yes," "no," or "present" if they wish to abstain from voting.

2. Minutes.

- a. Meeting minutes are a record of what the committee did, not what its members said.
- b. Minutes should list discussion points where appropriate, but should usually not attribute comments to individuals. It is acceptable to cite the chair's directions, summaries, and assignments.
- c. Do not list the person who seconds a motion.
- d. Do not record (or even ask for) abstentions.

3. Minority Opinions.

All Committees members are afforded the opportunity to provide alternative views on an issue. The meeting minutes will provide an exhibit to record minority opinions. The chair shall report both the majority and any minority views in presenting results to the Board.

4. Personal Statements.

The minutes will also provide an exhibit to record personal statements.

Appendix 3 – Reliability Guidelines Approval Process

1. Reliability Guidelines.

Reliability guidelines are documents that suggest approaches or behavior in a given technical area for the purpose of improving reliability. Reliability guidelines are not binding norms or mandatory requirements. Reliability guidelines may be adopted by a responsible entity in accordance with its own facts and circumstances.²

2. Approval of Reliability Guidelines.

Because reliability guidelines contain suggestions that may result in actions by responsible entities, those suggestions must be thoroughly vetted before a new or updated guideline receives approval by the OC. The process described below will be followed by the OC:

- a. New/updated draft guideline approved for industry posting. The OC approves for posting for industry comment the release of a new or updated draft guideline developed by one of its subgroups or the committee as a whole.
- b. Post draft guideline for industry comment. The draft guideline is posted as “for industry-wide comment” for forty-five (45) days. If the draft guideline is an update, a redline version against the previous version must also be posted.
- c. Post industry comments and responses. After the public comment period, the OC will post the comments received as well as its responses to the comments. The committee may delegate the preparation of responses to a committee subgroup.
- d. New/updated guideline approval and posting. A new or updated guideline which considers the comments received, is approved by the OC and posted as “Approved” on the NERC website. Updates must include a revision history and a redline version against the previous version.
- e. Guideline updates. After posting a new or updated guideline, the OC will continue to accept comments from the industry via a web-based forum where commenters may post their comments.
 - i. Each quarter, the OC will review the comments received. At any time, the OC may decide to update the guideline based on the comments received or on changes in the industry that necessitate an update.
 - ii. Updating an existing guideline will require that a draft updated guideline be approved by the OC in step “a” and proceed to steps “b” and “c” until it is approved by the OC in step “d.”

3. Review of Approved Reliability Guidelines.

Approved reliability guidelines shall be reviewed for continued applicability by the OC at a minimum of every third year since the last revision.

² Standards Committee authorization is required for a reliability guideline to become a supporting document that is posted with or referenced from a NERC Reliability Standard. See Appendix 3A in the NERC’s *Rules of Procedure* under “Supporting Documents.”