

Frequently Asked Questions about NERC Membership

Updated June 2021

1. Who may become a NERC member?

Any person or entity with an interest in the reliable operation of the North American Bulk-Power System can apply for membership. A member must maintain their membership in accordance with Article II of the Corporation Bylaws. You do not need to be a member to attend public meetings of NERC or NERC committees. You also do not need to be a NERC member to vote on Reliability Standards as part of the Registered Ballot Body.

2. What is the purpose of NERC membership?

Becoming a NERC member allows participation in NERC governance activities, including, for those members who qualify for Sectors 1-12, the annual nomination and election of members to the Member Representatives Committee. Becoming a NERC member also allows for participation in the election of sector-based representatives on NERC standing committees with sector-based representation.

3. Are there any other obligations to being a NERC member?

Members must adhere to the terms of the Membership Agreement in accordance with Article II, Section 3 of the Corporation's Bylaws. Specifically, members must agree to:

- a. Accept the responsibility to promote, support, and comply with the purposes and policies of the Corporation as set forth in its Certificate of Incorporation, Bylaws, Rules of Procedure, and Reliability Standards as from time to time adopted, approved, or amended; and
- b. Hold all trustees, officers, employees, and agents of the Corporation, as well as volunteers participating in good faith in the activities of the Corporation, harmless, to the extent permitted by Federal or provincial laws, regulations and rules, for any injury or damage to that member caused by any act or omission of any trustee, officer, employee, agent, or volunteer in the course of performance of his or her duties on behalf of the Corporation, other than for acts of gross negligence, intentional misconduct, or a breach of confidentiality.

NERC asks candidates for membership to adhere to this agreement as part of the online registration process.

Additionally, NERC members are responsible for maintaining their registration, including providing NERC with up-to-date contact information and for completing the membership renewal process as initiated from time to time by the NERC Board of Trustees.

4. I already belong to a Regional Entity, I am a member of a segment within the NERC Registered Ballot Body for approving NERC Reliability Standards, or I am registered with NERC for Reliability Standards compliance purposes. Am I automatically a member of NERC?

No. Membership in a Regional Entity is separate from membership in NERC. Registration with NERC for Reliability Standards compliance purposes does not result in an entity automatically becoming a member of NERC. Similarly, membership in a Registered Ballot Body segment does not result in an entity or individual automatically becoming a member of NERC.

5. As a member, how are my interests represented?

As a member, you will join one of 13 membership sectors. Members of Sectors 1-12 are eligible to participate in the annual nomination and election of members to the Member Representatives Committee. A member of Sector 13 may be nominated by and elected to serve as a representative of another sector on the Member Representatives Committee at the request of that sector.

6. What does the Member Representatives Committee do?

Three things:

- a. First, it elects the independent trustees;
- b. Second, it votes, jointly with the Board of Trustees, on amendments to the NERC Bylaws; and
- c. Third, it provides 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.

7. How many sectors may I join?

NERC members are only allowed to join one sector. NERC considers a corporation and its affiliates as a single member. That member may apply to join only one sector, which may be any single sector for which the corporation or any of its affiliates is eligible.

8. What do you mean by “a corporation and its affiliates?”

The most common example is a holding company plus the companies it owns, whether they are regulated or not. Collectively, they would become a single NERC member; NERC cannot allow the affiliates to become separate members.

9. What are examples of organizations NERC does not consider to be affiliated for membership purposes?

These organizations may separately apply for NERC membership:

- a. A joint action agency and its municipal utility members;
- b. A generation and transmission (“G&T”) cooperative and its cooperative members;
- c. The U.S. Department of Energy and federal power marketing agencies;
- d. A Canadian province and provincial utilities; and
- e. Separate and distinct entities, standing alone, who jointly own generation or transmission assets.

10. My company is a NERC member, and we recently merged with another company that is also a NERC member. What should I do?

You will need to deactivate (i.e. withdraw) one of the two memberships. If you require assistance with this process, please submit a ticket to the ERO Portal Helpdesk (<https://support.nerc.net/>). In your ticket, please include: (1) the names of the merged member companies; (2) the registration that should remain active and the registration that should be deactivated; and (3) primary and alternate contact information for the active membership registration.

11. May I change to another sector after I become a member?

Yes.

12. Is membership required?

No.

13. Is there a membership fee?

No, membership is free.

14. If I do not join, am I still obligated to fund NERC?

The responsibility to fund NERC is unrelated to NERC membership.

15. Does NERC place any different Reliability Standard compliance obligations on its members?

No, compliance enforcement is unrelated to NERC membership.

16. How do I apply for membership?

NERC has an online application form available for the prospective members on NERC’s ERO Portal (<https://eroportal.nerc.net/>).

17. Who do I call if I have questions about NERC membership?

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| General Questions, Membership Sectors, and Eligibility | nercmembership@nerc.net |
| Questions about the Member Representatives Committee | Kristin Iwanechko MRC and ERO Enterprise Leadership Secretary kristin.iwanechko@nerc.net |
| Online application | https://eroportal.nerc.net/ |
| ERO Portal Helpdesk | https://support.nerc.net/ |