

Minutes Board of Trustees

November 4, 2021 | 2:00–5:00 p.m. Eastern
WebEx

Call to Order

Mr. Kenneth W. DeFontes, Jr., Chair, called to order the duly noticed open meeting of the Board of Trustees (the Board) of the North American Electric Reliability Corporation (NERC or the Corporation) on November 4, 2021, at 2:00 p.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Board Members

Kenneth W. DeFontes, Jr., Chair
Robert G. Clarke, Vice Chair
Jane Allen
George S. Hawkins
Suzanne Keenan
Susan Kelly
Robin E. Manning
Jim Piro
James B. Robb, NERC President and Chief Executive Officer
Colleen Sidford
Roy Thilly

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Stephen Coterillo, Engineer, Reliability Assessment
Howard Gugel, Vice President, Engineering and Standards
Kelly Hanson, Senior Vice President, Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Mark Lauby, Senior Vice President and Chief Engineer
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
John Moura, Director, Reliability Assessment and Technical Committees
Mark Olson, Manager, Reliability Assessments
Lauren Perotti, Senior Counsel
Bryan Preston, Vice President, People and Culture
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Chief Financial Officer
Mechelle Thomas, Vice President, Compliance

NERC Antitrust Compliance Guidelines

Ms. Buzzard noted the public nature of the meeting and directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the advance meeting materials. She stated that any additional questions regarding these guidelines should be directed to Ms. Mendonça.

Introduction and Chair's Remarks

Mr. DeFontes welcomed all of the attendees to the meeting, including Mr. Stan Connally, Jr., Executive Vice President of Operations, Southern Company; Commissioner Mark Christie from the Federal Energy Regulatory Commission (FERC); Ms. Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, Department of Energy; and Mr. David Morton, Chair, CAMPUT.

Mr. DeFontes reported on the recent passing of William (Bill) Gallagher, a member of the Member Representatives Committee and strong advocate for the reliability, resilience, and security of the North American electric grid. He reported that, at its November 1, 2021 closed meeting, the Board adopted the following resolution in honor of Mr. Gallagher:

WHEREAS, William (Bill) J. Gallagher was a strong advocate for the reliability, resilience, and security of the North American electric grid, having served as Chair of the NERC Member Representatives Committee in 2011, Vice Chair in 2010, and serving as an active member until his passing; and

WHEREAS, Mr. Gallagher served on, supported, and provided invaluable input and guidance to the ERO Enterprise through his service on the Member Representatives Committee, NERC Board of Trustees Nominating Committee, as well as on advisory groups for the Reliability Assurance and Risk-Based Registration Initiatives, and, most recently, on the Member Representatives Committee Business Plan and Budget Group; and

WHEREAS, Mr. Gallagher had a long and distinguished career in the electric industry, as a leader in public power organizations, and as a longtime Board and Executive Committee member of NAESB, where his leadership was crucial to support the transition of the Gas Industry Standards Board to the North American Energy Standards Board.

NOW, THEREFORE, BE IT RESOLVED THAT The Board of Trustees of the North American Electric Reliability Corporation does hereby convey its deepest gratitude to Mr. Gallagher for his sage advice, his thoughtful discourse, his kindness, and his friendship to the members of NERC's Board of Trustees.

The attendees observed a moment of silence in Mr. Gallagher's honor.

Mr. DeFontes noted that the grid is rapidly transforming, bringing with it significant reliability challenges including increased vulnerability to extreme cold weather conditions. He noted that the February 2021 cold weather event in Texas and the south central United States resulted in significant social and economic costs, and, while NERC and the industry have taken important first steps in improving reliability and resiliency through the Cold Weather Reliability Standards, we must do better to prepare the system to be reliable during these conditions. Mr. DeFontes noted that the joint inquiry team investigating the causes of the February 2021 cold weather event recently publicized its findings and recommendations, in advance of the issuance of its final report, so that industry could begin addressing this urgent reliability issue. He expressed the Board's disappointment that the Standards Committee recently voted to postpone action on a proposed Standard Authorization Request that would initiate a new standards project focused on these recommendations. Mr. DeFontes stated that NERC and its stakeholders must prioritize actions to address urgent reliability issues directly and expeditiously.

Consent Agenda

Upon motion duly made and seconded, the Board approved the consent agenda, absent the Standards Committee Charter Amendments (Agenda Item 2d), as follows:

Minutes

The draft minutes for the September 28, 2021 and August 12, 2021 meetings were approved as presented to the Board at this meeting.

Committee Membership and Charter Amendments

Compliance and Certification Committee Confidentiality Protocol and Compliance and Certification Committee's Participation in NERC Audits of CMEP Programs

RESOLVED, that the Board hereby approves the revised Compliance and Certification Committee procedure document CCCPP-009-3, NERC Compliance and Certification Committee Confidentiality Protocol, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the revised Compliance and Certification Committee procedure document CCCPP-012, CCC Participation in NERC's Audits of CMEP Programs, substantially in the form presented to the Board at this meeting.

Compliance and Certification Committee Membership and Leadership

RESOLVED, that the Board hereby appoints the following individuals to the Compliance and Certification Committee (CCC), each for a three-year term from January 1, 2022 - December 31, 2024:

- Daniela Hammons, CenterPoint Energy, Investor-Owned Utility
- Keith Porterfield, Georgia System Operations Corporation, Cooperative Utility
- Tom McDonald, Bonneville Power Administration, Federal or Provincial Utility/PMA
- Leigh Mulholland, Capital Power Corporation, Merchant Electricity Generator
- Keith Comeaux, Cleco Corporation, Electricity Marketer
- Greg Campoli, New York ISO, ISO/RTO
- Lisa Milanes, California ISO, At-large
- Alice Ireland, Tri-State Generation and Transmission Association, At-large

FURTHER RESOLVED, that the Board hereby approves the CCC's request to solicit nominations to fill an open seat in the State/Municipal Utility sector for a term that would end on December 31, 2022.

FURTHER RESOLVED, that the Board hereby appoints the following individuals to the leadership of the CCC, each for a two-year term from January 1, 2022 – December 31, 2023:

- Chair – Scott Tomashefsky
- Vice Chair – Silvia Parada Mitchell

Reliability and Security Technical Committee Proposed Charter Amendments

RESOLVED, that the Board hereby approves the revised Reliability and Security Technical Committee (RSTC) Charter, substantially in the form presented to the Board at this meeting, to replace the RSTC Charter approved by the Board on November 5, 2019.

Standards Committee Leadership

RESOLVED, that the Board hereby appoints the following individuals to the leadership of the Standards Committee, each for a two-year term from January 1, 2022 – December 31, 2023:

- Chair - Amy Casuscelli, Xcel Energy
- Vice Chair - Todd Bennett, Associated Electric Cooperative, Inc.

Personnel Certification Governance Committee Membership

RESOLVED, that the Board hereby appoints the following individuals to the Personnel Certification Governance Committee, each for a two year term from January 1, 2022 – December 31, 2023:

- Dan Morse, Gainesville Regional Utility
- Mari Kiresich, Southern California Edison

Regular Agenda

Remarks by Mark Christie, Commissioner, FERC

Mr. Robb introduced Commissioner Christie of FERC. Commissioner Christie remarked on the incredible achievement that is the North American power grid, and the importance of NERC's role in maintaining the reliability of that grid. He noted the importance of NERC's role, both in developing standards and educating legislators and policy makers on reliability issues. Commissioner Christie stated that regulators and the public depend on NERC as an unbiased, objective, and forthright source of reliability information, and he encouraged NERC to consider general audiences when communicating its findings. He also encouraged NERC to continue building its relationships with state regulators.

Welcome Remarks by Stan Connally, Jr., Executive Vice President of Operations, Southern Company

Mr. Robb introduced Mr. Connally of Southern Company. Mr. Connally remarked on the importance of the electricity industry to the American economy and noted that communities depend on the industry to plan properly for reliability and resilience. He noted that industry should plan for extreme weather conditions using more predictive models rather than just historical data. Mr. Connally also remarked on the importance of fuel assurance planning, given the interdependencies of the natural gas and electric industries, and planning properly for firm load shed.

Remarks by Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, DOE

Mr. DeFontes introduced Ms. Hoffman of the Department of Energy (DOE). Ms. Hoffman remarked on the strength of the agency's partnerships with NERC and others to address the challenges facing the North American grid. She highlighted the agency's efforts in the area of resilience, including using federal funds that may become available to invest in infrastructure and expand transmission capacity. Ms. Hoffman noted the agency's focus on developing energy storage and noted some of the benefits it can provide. She also highlighted efforts in four priority areas, including upgrading infrastructure, enhancing cyber and physical security information sharing, enhancing supply chain controls, and advancing analysis capabilities to manage future events.

Remarks by David Morton, CAMPUT Representative to NERC

Mr. DeFontes introduced Mr. Morton of CAMPUT. Mr. Morton stated that he appreciated NERC's continued focus on security issues and preparedness for cold weather conditions. He encouraged NERC to consider extreme weather conditions more broadly in its standards, including addressing extreme hot weather conditions like those that have affected parts of Canada. Mr. Morton also remarked on the need to consider the impact on the electric power system as jurisdictions implement decarbonization initiatives.

President's Report

Mr. Robb provided the president's report, beginning his remarks by reflecting on the passing of Mr. Gallagher and honoring his service to NERC and his commitment to reliability.

Mr. Robb thanked stakeholders for their responses to the policy input letter regarding how NERC could be more nimble and efficient to address the reliability challenges of a rapidly transforming grid. He noted that NERC's processes make it unique among regulators and play a key part in NERC's success, but that NERC and the industry is facing an evolution of change that demands more expedient solutions. Mr. Robb noted the importance of beginning discussions with stakeholders on the best path forward for addressing these risks nimbly and efficiently.

Mr. Robb expressed his disappointment at the recent Standards Committee action to defer consideration of the proposed cold weather preparedness Standard Authorization Request, emphasizing the importance of not using NERC's processes to avoid dealing with urgent reliability issues. He noted that the report on the FERC/ERO Enterprise joint inquiry into the causes of the February 2021 cold weather event is expected for release soon and thanked the team for their extraordinary effort. He emphasized that he and FERC Chairman Glick are unified in their commitment that the findings of the report be heeded. Mr. Robb also reported that NERC staff will be examining NERC's standards processes in the coming months for opportunities to improve.

Mr. Robb noted that NERC's assessments, discussed later in the meeting, show that reliability challenges continue to persist. He remarked on the need to rethink the current regulatory scheme for natural gas, given its increasingly important role in electric generation. Mr. Robb stated that he was pleased by recent efforts to address the cybersecurity of natural gas pipelines, and he noted the focus on security at the recent Grid Security Conference and the upcoming GridEx VI to be held later in November.

Mr. Robb then introduced Ms. Sara Patrick, President and CEO of the Midwest Reliability Organization (MRO) and co-chair of the ERO Enterprise Executive Committee, to provide additional comments. He thanked Ms. Patrick for her leadership of the committee and noted that Mr. Jason Blake, CEO of SERC, would assume the role in February. Ms. Patrick remarked on the incredible pace of change, noted the important role the ERO Enterprise plays in mitigating the risks to the reliability and security of the North American electric grid, and remarked on the success of the ERO Enterprise transformation initiative. At the conclusion of her remarks, Mr. DeFontes thanked Ms. Patrick for her leadership.

Report on the September 28 and November 1, 2021 Closed Meetings

Mr. DeFontes reported that on September 28, 2021 and November 1, 2021 (as is its custom), the Board met in closed session with NERC management to review NERC management activities. On September 28, the Board met to discuss matters of strategic importance, including the 2022 Work Plan Priorities, the long-term direction for the E-ISAC, and long-term implications for NERC resources. On November 1, the Board discussed the Board's resolutions for this meeting, feedback for policy input, Reliability Standards proposed for adoption, and follow up discussions from the September 28 meeting. The Board also received governance training from the General Counsel and met in executive session with the General Counsel to discuss confidential issues.

Board Committee Reports

Corporate Governance and Human Resources

Mr. Hawkins, Committee Chair, reported on recent Committee meetings. At the closed meeting on September 28, 2021, the Committee welcomed the new NERC Vice President of People and Culture Bryan Preston and met with Meridian Compensation Partners regarding several compensation studies and recommended adjustments for Board of Trustees compensation. At the closed meeting on November 1, 2021, the Committee reviewed its mandate, approved extending a temporary waiver of the NERC Board of Trustees and NERC officer travel policies, received an update on NERC human resources initiatives, and discussed compensation matters. At the Committee's open meeting on November 3, 2021, the Committee approved the forthcoming Board self-assessment and Member Representatives Committee assessment of Board effectiveness survey and received an update on human resources and staffing. Mr. Hawkins also reported that the Committee accepted the Board compensation study and recommended several proposed compensation changes for approval by the Board.

After discussion, and upon motion duly made and seconded, the Board approved the following resolution:

WHEREAS, the Board's Corporate Governance and Human Resources Committee (the "CGHRC") is required to review annually the compensation program for independent Trustees and to make recommendations to the Board, as appropriate.

WHEREAS, the CGHRC engaged the compensation consulting firm of Meridian Compensation Partners, LLC ("Meridian"), to conduct an update to the market study of Board compensation completed in 2018, to aid in its determination of whether to recommend any changes to the Board's compensation program.

WHEREAS, Meridian compared current Trustee compensation and the structure of the Board's current compensation structure to the market perspectives used in the 2018 Willis Towers Watson study, also updating its view of overall compensation trends, and prepared a report, which has been reviewed and accepted by the CGHRC.

WHEREAS, the CGHRC considered: (i) the findings and recommendations in the Meridian report, as well as (ii) the need to consider any compensation adjustment in light of NERC's overall budget, (iii) that the workload for all Trustees has continued to be at a level higher than any of the peer groups, (iv) that the Board Chair, Vice Chair and Committee chairs have substantial additional responsibilities and time commitments, and members of the Board serve as liaisons to the Standards Committee and Reliability and Security Technical Committee, (v) that the current compensation structure, utilizing fixed retainers, is consistent with best practice trends in director compensation, (vi) that it remains important for NERC to be able to recruit and retain qualified and quality individuals to board service, and that NERC competes directly with Regional Entities, Independent System Operators and Regional Transmission Organizations, Investor Owned Utilities, and even private sector companies in attempting to attract such individuals to NERC, and (vii) that the conflict of interest requirements at NERC for Trustees, which include financial interest and investment prohibitions, employment/consulting prohibitions, and industry board service prohibitions, and the fact that NERC is non-profit and offers no stock options or benefits, reinforce the need for NERC to offer competitive compensation to Trustees, understanding the limits NERC places on what might be other opportunities for financial reward.

WHEREAS, based on its review of the Meridian report and its deliberations in open session, the CGHRC has recommended Board approval of modifications to the Trustee compensation program.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the following compensation program for independent Trustees:

- Annual Retainer: The Board hereby establishes a target annual retainer for each Trustee of \$135,000. The new retainer will be implemented annually over the next three years with no increase in 2022, a \$3,500 increase in 2023, and a \$4,000 increase in 2024.
- Chair Retainer: The Board hereby continues the annual retainer for the Board Chair of \$47,500.
- Committee Chairs Retainer: The Board hereby continues the annual retainer for Committee Chairs of \$10,000, with an annual review in 2023 and 2024 if an adjustment is warranted.

Vice Chair and Liaison Retainers: The Board hereby continues the annual retainer of \$5,000 for the Board Vice Chair, with a separate retainer of \$5,000 for the Trustee who is designated as the liaison to the Standards Committee and the Trustee designated as the liaison to the Reliability and Security Technical Committee.

Compliance

Mr. Manning, Committee Chair, reported on recent meetings of the Committee. At the Committee's closed meeting on October 26, 2021, the Committee received an update on the Compliance Monitoring and Enforcement Program (CMEP) Implementation Plan, reviewed CMEP trends, received an update on CIP matters, and reviewed its mandate. At the Committee's open meeting on November 3, 2021, the Committee received updates on COVID-19 related activities, facility ratings, and the 2022 CMEP Implementation Plan.

Finance and Audit

Mr. Clarke, Committee Chair, reported on recent meetings of the Committee. He reported that NERC will remain in the Atlanta office through the conclusion of the lease until 2025, and thanked stakeholders for their work and input on the budget which was approved by FERC on November 2. At the October 26, 2021 closed meeting, the Committee reviewed proposed changes for the 2023 business plan and budget schedule, proposed amendments to the Investment Policy, the savings and investment plan (401k) audit, form 5500, and compliance testing for 2020, and the Committee mandate. The Committee also reviewed and discussed audit planning with NERC's independent auditor, RSM US LLP.

At its November 3, 2021 open meeting, the Committee took action on several items. First, Mr. Clarke reported that the Committee reviewed and recommended the Third Quarter Statement of Activities. Upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board, upon recommendation of the Finance and Audit Committee, hereby accepts the Third Quarter 2021 NERC, Combined ERO Enterprise, and Regional Entity Unaudited Statement of Activities, as presented to the Board at this meeting.

Second, Mr. Clarke reported that the Committee reviewed and recommended for Board approval proposed amendments to the NERC Investment Policy. After discussion, and upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board, upon recommendation of the Finance and Audit Committee, hereby approves the amended Investment Policy, as presented to the Board at this meeting.

Mr. Clarke also reported that the Committee received updates on the 2022 business plan and budget and reviewed the 2023 business plan and budget schedule.

Enterprise-wide Risk

Ms. Sidford, Committee Chair, reported on the Committee's closed meeting on October 26, 2021. At its meeting, the Committee received updates on the activities of the Compliance and Certification Committee, Regional Entity

activities, 2021 audit plan status, the 2022 internal audit plan, and the NERC Enterprise corporate risk management plan. The Committee also reviewed its mandate.

Technology and Security

Ms. Keenan, Committee Chair, reported on the recent Grid Security conference and meeting of the E-ISAC Member Executive Committee. She also reported on recent meetings of the Committee. At the November 1, 2021 closed meeting, the Committee reviewed items including NERC and Regional Entities cyber security posture, the Committee mandate, and the results of a recent test using an emergency communication system. The Committee also received updates on proposed technology package for Trustees and received cyber training. At the November 3, 2021 open meeting, the Committee received updates on E-ISAC operations, the ERO Enterprise Align project, and ERO Enterprise business technology. She concluded her remarks by noting the need for the ERO Enterprise to remain vigilant to maintain a strong cybersecurity posture.

Nominating

No Committee report was provided at this meeting.

Report by Jim Piro on Standards and RSTC Quarterly Activities

Mr. Piro, Liaison to the Standards Committee and Reliability and Security Technical Committee (RSTC), reported on recent meetings of the RSTC. Mr. Piro reported that the participation and engagement on the RSTC continues to remain high and highlighted its recent work.

Turning to recent Standards Committee activities, Mr. Piro reported on actions taken at recent meetings, including actions taken at its meetings to authorize postings, accept several Standard Authorization Requests, and appoint drafting teams. He reported that, at its October meeting, the Standards Committee voted to postpone action on a proposed cold weather Standard Authorization Request submitted by NERC staff; this request proposed to start a new standards project focusing on the recommendations of the FERC/ERO Enterprise joint inquiry team reviewing the causes of the February 2021 cold weather event. Mr. Piro noted his disappointment with this action and remarked that it will delay further standards development activity by several months. He further noted that standard process waivers may ultimately be needed to meet the development timelines recommended by the joint inquiry team. Mr. Piro urged industry to address this issue with the appropriate urgency.

Standards Quarterly Report and Actions

Standards Committee Proposed Charter Amendments

Mr. DeFontes recommended approval of the proposed Standards Committee Charter amendments included in the advance agenda package. He stated that the Board will direct the Committee to review its Charter to ensure the Committee is focused on process issues and has the necessary tools to address urgent reliability needs with appropriate agility.

After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby approves the revised Standards Committee Charter, substantially in the form presented to the Board at this meeting, to replace the Standards Committee Charter approved by the Board on May 9, 2019.

FURTHER RESOLVED, that the Board hereby directs the Standards Committee to review its Charter to determine: (1) which further revisions to the Charter would be needed to clarify the role of the Committee as a procedural oversight body; and (2) which further revisions would enhance the ability of the Committee to address urgent reliability needs with appropriate agility.

FURTHER RESOLVED, that the Board directs the Standards Committee to present the results of this review, along with any proposed Charter revisions, at the February 2022 meeting.

2022-2024 Reliability Standards Development Plan

Mr. Gugel presented the proposed 2022-2024 Reliability Standards Plan developed under Section 310 of the NERC Rules of Procedure. Mr. DeFontes proposed to approve the 2022-2024 Reliability Standards Development Plan, subject to the inclusion of the Extreme Cold Weather Grid Operations, Preparedness, and Coordination project as a high priority item, along with a directive establishing deadlines for the completion of work under that project.

After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, NERC is required, under Section 310 of the NERC of Procedure, to develop and provide for an annual Reliability Standards Development Plan for development of Reliability Standards to the applicable governmental authorities, and such plan shall consider the comments and priorities of such authorities in developing and updating the annual plan;

WHEREAS, NERC developed a Reliability Standards Development Plan for 2022-2024 in mid-2021, and the Standards Committee endorsed this plan on September 23, 2021;

WHEREAS, a joint inquiry team consisting of staff from NERC, Regional Entity, and the Federal Energy Regulatory Commission (“FERC”) presented its findings and recommendations regarding the causes of the February 2021 cold weather event impacting Texas and the south Central United States at the September 23, 2021 FERC open meeting, information which will be contained in a forthcoming final report;

WHEREAS, the joint inquiry team also provided several recommendations for new or revised Reliability Standards to address the causes of this event and enhance reliability during future cold weather conditions;

WHEREAS, on October 21, 2021 the Standards Committee voted to postpone action on a new Extreme Cold Weather Grid Operations, Preparedness, and Coordination Standards Authorization Request that proposed to develop new and revised Reliability Standards to address the joint inquiry team’s recommendations;

WHEREAS, multiple major cold weather events have threatened the reliability of the Bulk-Power System in the previous decade, demonstrating that the continued reliability of the Bulk-Power System in future cold weather seasons depends on the prompt development of Reliability Standards to address the findings and recommendations of the joint inquiry team, within the expedited timeframes recommended by the joint inquiry team;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the 2022-2024 Reliability Standards Development Plan, substantially in the form presented to the Board at this meeting, subject to the addition of the Extreme Cold Weather Grid Operations, Preparedness, and Coordination standards development project as a high priority item, along with any other new Standards Authorization Requests or directives that are received prior to submission to the applicable governmental authorities.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolution.

FURTHER RESOLVED, that the Board hereby directs that the development of new or revised Reliability Standards to address the recommendations of the joint inquiry team for cold weather operations,

preparedness, and coordination to be completed in accordance with the timelines recommended by the joint inquiry team, as follows:

- New and revised Reliability Standards to be submitted for regulatory approval before Winter 2022/2023: development completed by September 30, 2022, for the Board's consideration in October 2022;
- New and revised Reliability Standards to be submitted for regulatory approval before Winter 2023/2024: development completed by September 30, 2023, for the Board's consideration in October 2023.

Mr. Gugel explained that the Board's action to set deadlines for the cold weather project will provide the Standards Committee with procedural flexibility to authorize waivers, allowing the completion of development work in a timely manner.

Proposed Regional Reliability Standard PRC-006-SERC-03 – Automatic Underfrequency Load Shedding

Mr. Gugel presented the proposed SERC regional Reliability Standard PRC-006-SERC-03, highlighting that the proposed standard includes modifications to account for the Florida peninsula and contains several other reliability and efficiency benefits. Upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby adopts the proposed regional Reliability Standard PRC-006-SERC-03, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed regional Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of regional Reliability Standard PRC-006-SERC-02, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Critical Infrastructure Protection Board Resolution Updates

Mr. Gugel provided an update on activities in support of resolutions approved by the Board regarding the Critical Infrastructure Protection (CIP) reliability Standards, referencing the material provided in the advance agenda package. He highlighted activities underway to address low impact BES Cyber Assets, including: (1) a standards project that is underway to address the inclusion of low impact assets in the Supply Chain Standards; (2) a broader review and analysis of the low impact criteria.

Other Matters and Reports

Policy Input and Member Representatives Committee Meeting

Mr. DeFontes referred to the discussion of policy input items and technical updates at the November 4, 2021 Member Representatives Committee meeting. Ms. Kelly and Mr. DeFontes expressed their appreciation for the policy input feedback.

2022 ERO Enterprise Work Plan Priorities

Mr. Lauby presented the proposed 2022 ERO Enterprise Work Plan Priorities. He noted that the proposed 2022 priorities highlight projects that address four risk elements: (1) improving BES resilience for wide-spread long-term extreme temperature events; (2) deepening planning and operating focus beyond capacity adequacy, towards energy sufficiency; (3) enhancing the structure of the CIP standards; and (4) expanding the impact of the E-ISAC. Mr. Lauby, Mr. Cancel, and Ms. Sena presented on the focus areas in the priorities.

After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby approves the 2022 ERO Enterprise Work Plan Priorities, substantially in the form presented to the Board at this meeting.

2021 Long-Term Reliability Assessment Preview

Mr. Olson provided a preview of the 2021 Long-Term Reliability Assessment (“LTRA”). He recalled that the LTRA provides a top-level assessment of resource adequacy and identify emerging issues, include demand, generation, and transmission projections, and is developed in coordination and reviewed with Regional Entities and stakeholder groups. He highlighted key findings of the LTRA, including that there are areas with projected reserve shortfalls and energy shortfall risks, particularly during extreme weather. Mr. Olson also highlighted transmission trends, trends in peak demand growth rates, and increasing penetration of solar distributed energy resources. He noted that the LTRA will be presented to the Board for acceptance in December.

Ms. Kelly remarked that NERC should ensure its communications regarding the LTRA are as clear as possible for the general audience, consistent with Commissioner Christie’s remarks earlier in the meeting. Mr. DeFontes echoed this sentiment and thanked Mr. Olson and NERC staff for their work on the report.

2021-2022 Winter Reliability Assessment Preview

Mr. Coterillo provided a preview of the 2021-2022 Winter Reliability Assessment (“WRA”), which is intended to identify, assess, and report on areas of concern regarding the reliability of the North American bulk power system for the upcoming winter season. He highlighted several key findings in the 2021-2022 WRA, including: (1) energy emergencies are likely in some regions under extreme weather conditions; (2) natural gas generators face added risk from fuel supply in infrastructure-limited areas; and (3) energy transfers in the west are limited due to low hydro conditions. Mr. Coterillo also highlighted key takeaways from the recent NERC Level 2 alert regarding cold weather preparedness, which are discussed in the report. He reported that the 2021-2022 WRA is targeted for release the week of November 15.

The Board engaged in discussion on the WRA. Mr. Thilly remarked on the timing of the seasonal assessments and whether the workflow would allow for an earlier release. Mr. Coterillo and NERC staff were thanked for their work.

Committee Reports

Chair DeFontes called on representatives of several of the Standing Committees to provide reports to the Board highlighting items from their written reports, which had been included with the advance meeting materials. He referred the attendees to the advance agenda package for the remaining Committee reports.

Standards Committee

Ms. Amy Casuscelli, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package. She highlighted the work of the Committee and thanked the departing Compliance and Certification Committee chair Jennifer Flandermeyer for her partnership.

Referencing earlier actions of the Board, Ms. Casuscelli reported that the Committee understands the importance of the cold weather standard development project and is prepared to take action commensurate with its urgency.

Compliance and Certification Committee

Ms. Jennifer Flandermeyer, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package. Mr. DeFontes thanked Ms. Flandermeyer for her service as chair of the Committee.

Reliability and Security Technical Committee

Mr. Greg Ford, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package.

Reliability Issues Steering Committee

Mr. Nelson Peeler, Committee Chair, provided an update on the activities of the Committee, highlighting work with the RSTC to address the recommendations of the 2021 ERO Reliability Risk Priorities Report. Mr. DeFontes thanked Mr. Peeler for his leadership and work on the RISC.

Electricity Subsector Coordinating Council

Mr. Robb reported on recent Electricity Subsector Coordinating Council activities and noted that he was encouraged by the good working dynamics among the groups from NERC, industry, and various government agencies.

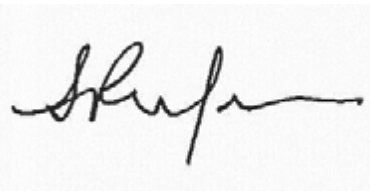
Forum and Group Reports

Chair DeFontes referred to the forum and group reports included in the advance agenda package and thanked Mr. Choudhury for his leadership of the Member Representatives Committee.

Other Matters and Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary

Agenda

Board of Trustees

November 4, 2021 | 2:00-5:00 p.m. Eastern
Virtual Meeting

Panelist Webex Link: [Join Meeting](#)

Call to Order

NERC Antitrust Compliance Guidelines*

Introduction and Chair's Remarks

Consent Agenda – Approve

1. Minutes*

- a. September 28, 2021 Meeting
- b. August 12, 2021 Meeting

2. Committee Membership and Charter Amendments*

- a. Compliance and Certification Committee Confidentiality Protocol and Compliance and Certification Committee's Participation in NERC's Audits of CMEP Programs
- b. Compliance and Certification Committee Membership and Leadership
- c. Reliability and Security Technical Committee Proposed Charter Amendments
- d. Standards Committee Proposed Charter Amendments
- e. Standards Committee Leadership
- f. Personnel Certification Governance Committee Membership

Regular Agenda

3. Remarks and Reports

- a. Welcome Remarks by Stan Connelly, Executive Vice President of Operations, Southern Company
- b. Remarks by Mark Christie, Commissioner, FERC
- c. Remarks by Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, DOE
- d. Remarks by David Morton, CAMPUT Representative to NERC
- e. President's Report
- f. Report on the September 28 and November 1, 2021 Closed Meetings

4. Board Committee Reports

- a. Corporate Governance and Human Resources

- i. Board of Trustees Compensation - **Approve**
 - b. Compliance
 - c. Finance and Audit
 - i. Third Quarter Statement of Activities – **Accept**
 - ii. Investment Policy – **Approve**
 - d. Enterprise-wide Risk
 - e. Technology and Security
 - f. Nominating
 - g. Report by Jim Piro on Standards and RSTC Quarterly Activities
- 5. Standards Quarterly Report and Actions***
- a. 2022-2024 Reliability Standards Development Plan – **Approve**
 - b. PRC-006-SERC-03 – Automatic Underfrequency Load Shedding - **Adopt**
 - c. Critical Infrastructure Protection Board Resolution Updates - **Information**

BREAK – 15 MINS

- 6. Other Matters and Reports**
- a. Policy Input and Member Representatives Committee Meeting – **Discussion**
 - b. 2022 ERO Enterprise Work Plan Priorities* – **Approve**
 - c. 2021 Long-Term Reliability Assessment Preview* – **Information**
 - d. 2021-2022 Winter Reliability Assessment Preview* – **Information**
- 7. Committee Reports**
- a. Member Representatives Committee
 - b. Personnel Certification Governance Committee*
 - c. Standards Committee*
 - d. Compliance and Certification Committee*
 - e. Reliability and Security Technical Committee*
 - f. Reliability Issues Steering Committee*
 - g. Electricity Subsector Coordinating Council
- 8. Forum and Group Reports**
- a. North American Energy Standards Board
 - b. North American Transmission Forum*
 - c. North American Generator Forum*
- 9. Other Matters and Adjournment**

*Background materials included.