

Minutes Board of Trustees

February 10, 2022 | 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 February 10, 2022, 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
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
Erika Chanzas, Manager of Business Planning
Howard Gugel, Vice President, Engineering and Standards
Kelly Hanson, Senior Vice President, Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Soo Jin Kim, Director, Power Risk Issues and Strategic Management
Mark Lauby, Senior Vice President and Chief Engineer
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Steven Noess, Director, Regulatory Programs
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 Ms. Patricia Hoffman, Acting Assistant Secretary, Office of Electricity, Department of Energy; and Mr. David Morton, Chair, CAMPUT. He remarked on the engaged discussion at the Member Representatives Committee (MRC) meeting earlier in the day, and he thanked the MRC for their confidence in the Trustees upon the re-election of Ms. Allen, Mr. Clarke, Ms. Sidford, as well as himself. Mr. DeFontes noted that the May 2022 meetings are presently scheduled to be held in person in Arlington, Virginia.

Consent Agenda

Upon motion duly made and seconded, the Board approved the consent agenda as follows:

Minutes

The draft minutes for the December 16, 2021 and November 4, 2021 meetings were approved as presented to the Board at this meeting.

Committee Membership and Charter Amendments

Compliance and Certification Committee Membership

RESOLVED, that the Board hereby appoints to the Compliance and Certification Committee Davon Tremont of Taunton Municipal Lighting Plant, representing the State Municipal Sector, to complete a three-year term ending December 31, 2022.

Reliability and Security Technical Committee Membership

RESOLVED, that the Board hereby appoints the following individuals to the Reliability and Security Technical Committee ("RSTC") as follows:

Sector Elected Members	
1. Investor-owned utility	Kayla Messamore (Eversource) – 2022-2024
3. Cooperative utility	Paul McCurley (NRECA) – 2022-2024
4. Federal or provincial utility/Federal Power Marketing Administration	Robert Reinmuller* (Hydro One) – 2022-2024
5. Transmission dependent utility	Carter Manucy (Florida Municipal Power) – 2022-2024
6. Merchant generator	Truong Le (CMS Energy) – 2022-2024
7. Electricity Marketer	Jodirah Green** (ACES Power) – 2022-2024
8. Large end-use electricity customer	Venona Greaff (Occidental Chemical) – 2022-2024
12. State Government	Cezar Panait (Minnesota Public Utilities Commission) – 2022-2024
At-Large Members	
David Grubs	City of Garland, Texas – 2022-2024 (converted Sector 2)
Wayne Guttormson	SaskPower – 2022-2024 (converted Sector 9)
Dede Subakti	California ISO – 2022-2024 (converted Sector 10)

Biju Naduvathuparambil	AESO – 2022-2024
David Mulcahy	Illuminate Power Analytics, LLC – 2022-2024
Peter Brandien	ISONE – 2022-2024
Jeff Harrison	AECI – 2022-2024
Monica Jain	SCE – 2022-2024
Ian Grant	Tennessee Valley Authority – 2022-2023 (converted sector 7)
William Allen	Exelon – 2022-2023 (vacant due to Vice Chair election)
Non-voting Members	
United States Federal Government (2)	David Ortiz – FERC – 2022-2024 Mike Toecker, DOE – 2022-2024
Canadian Federal Government (1)	Naveen Goswamy, Natural Resources Canada 2022-2024
Provincial Government (1)	Catherine Ethier, Ontario Energy Board – 2022-2024

Reliability Issues Steering Committee Membership

RESOLVED, that the Board hereby appoints the following individuals to the Reliability Issues Steering Committee (“RISC”) as follows:

Member Type/Term	Name/Organization
Proposed Chair Term expiring January 31, 2024	Brian Allen Slocum ITC Holdings
At-Large Member Term expiring January 31, 2024	Woody Rickerson ERCOT
At-Large Member Term expiring January 31, 2024	Mark Ahlstrom, NextEra Energy Resources, LLC
At-Large Member Term expiring January 31, 2024	Jennifer Sterling Exelon
At-Large Member Term expiring January 31, 2024	Kamyar Ghaderi IESO
At-Large Member Term expiring January 31, 2024	Chris Shepherd Gannett Fleming
At-Large Member Term expiring January 31, 2024	LeRoy Patterson Public Utility District No. 2 of Grant County (GCPD)
At-Large Member Term expiring January 31, 2024	Matt Carter GP&L
At-Large Member Term expiring January 31, 2024	Srinivas Kappagantula Arevon Energy
At-Large Member Term expiring January 31, 2024	Tom Dagenais American Transmission Co.

MRC Member Term expiring January 31, 2023 <i>(filling the term of an MRC member who resigned from the Committee due to retirement)</i>	Sean Cavote PSEG
MRC Member Term expiring January 31, 2024	Travis Fisher ELCON
MRC Member Term expiring January 31, 2024	Matt Schuerger Minnesota Public Utilities Commission
MRC Member Term expiring January 31, 2024	John Twitty Missouri Public Utility Alliance
Compliance & Certification Committee Term expiring January 31, 2023	Silvia Parada-Mitchell NextEra Energy
Reliability and Security Technical Committee Term expiring January 31, 2023	Rich Hydzik Avista
Standards Committee Term expiring January 31, 2023	Amy Casuscelli Xcel Energy

Committee Membership and Charter Amendments

NPCC Proposed Bylaws Amendments

RESOLVED, that the Board hereby approves the amended Bylaws of the Northeast Power Coordinating Council (NPCC), substantially in the form 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 resolution.

ReliabilityFirst Proposed Bylaws Amendments

RESOLVED, that the Board hereby approves the amended Bylaws of ReliabilityFirst Corporation, substantially in the form 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 resolution.

Regular Agenda

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

Mr. DeFontes introduced Ms. Hoffman of the Department of Energy (DOE) and expressed his appreciation for the opportunities NERC has had to collaborate with DOE. Ms. Hoffman reported that DOE is undergoing a realignment under which it will move deployment-related activities to a new grid infrastructure organization. She highlighted the agency's efforts in the areas of transmission capacity and seams issues and strengthening infrastructure. Ms. Hoffman remarked on opportunities to collaborate with industry in the development and promotion of new technologies and the deployment of electric vehicle infrastructure, and with the states on resiliency matters. She also reported on DOE

efforts in the areas of 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 remarked on the need to understand and plan for extreme weather conditions, citing the November 2021 flooding affecting natural gas and transportation infrastructure in the Vancouver, British Columbia area. He expressed his appreciation for NERC's continued collaboration and noted the upcoming CAMPUT conference, to be held in May in Vancouver.

President's Report

Mr. Robb provided the president's report. He noted that the last few years have brought great clarity to a number of issues, including the cyber threat environment, the integrated impact of the changing resource mix and weather events driven by climate change, and the clear need for NERC and the Regional Entities to have strong cyber security postures and more agile processes to respond to the increasing pace of change.

Mr. Robb recalled that the Board set three main priorities for NERC for 2021: obtain approval of the Cold Weather Reliability Standards, identify the energy issues driven by the changing resource mix, and continue to advance capabilities in the E-ISAC. He recalled NERC's significant accomplishments in those areas, as well as the continued advancement of NERC's internal initiatives.

Mr. Robb then highlighted four main priorities for the coming years, noting that a new body of work will need to be developed and supported on top of NERC's more routine work to meet its regulatory mandate: first, developing needed insights and tools to support industry with the changing resource mix and changing climate conditions; second, continuing to advance cyber security efforts; third, improving the agility of NERC's processes and programs to meet the changing risk environment, while maintaining collaboration and deliberation which are hallmarks to NERC's work; and fourth, investing in the sustainability of the ERO Enterprise and building depth in key capabilities.

Mr. Robb noted that NERC's focus on efficiency and effectiveness and its experience working with its stakeholders have provided a strong foundation for NERC to achieve these priorities, but there is substantial and important work to be done that will require additional capabilities to be added to NERC. He stated that NERC management has been engaging in fulsome discussions with the Board around a three-year strategy and resource plan.

Mr. Robb then introduced Mr. Jason Blake, CEO of SERC Reliability Corporation and co-chair of the ERO Enterprise Executive Committee, to provide additional comments. Mr. Blake remarked on efforts at the Regional Entity level in the areas of cyber security, understanding the challenges and opportunities presented by the changing resource mix, and improving internal sustainability.

Mr. DeFontes remarked on the need for NERC to stay at the forefront of what is needed to meet the challenges of the changing grid and to fulfill its statutory mission as the Electric Reliability Organization. He reported that the Board and NERC management have been in discussion with management regarding the creation of a three-year plan. Mr. DeFontes thanked NERC's stakeholders and emphasized the need for their continued engagement and support.

Report on the January 20 and February 8, 2022 Closed Meetings

Mr. DeFontes reported that on January 20, 2022 and February 8, 2022 (as is its custom), the Board met in closed session with NERC management to review NERC management activities. On January 20, the Board met to discuss matters of strategic importance, including strategic priorities and long-term implications for NERC resources. On February 8, the Board discussed the Board's resolutions for this meeting, feedback for policy input, and follow up discussions from the January 20 meeting. The Board also met in executive session with the General Counsel to discuss confidential issues and in a Trustees-only session to discuss and approve CEO compensation.

Election and Appointment of Board Chair and Vice Chair, Board of Trustees Committee Assignments and NERC Officers

Mr. DeFontes presented the recommendations for Board officers, NERC officers, and committee assignments. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby elects the following officers of the Corporation for 2022:

- Kenneth W. DeFontes, Jr., Chair
- George S. Hawkins, Vice Chair
- James B. Robb, President and Chief Executive Officer

FURTHER RESOLVED, that the Board, upon recommendation of the President, hereby appoints the following individuals as officers of the Corporation for 2022:

- Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
- Kelly Hanson, Senior Vice President and Chief Administrative Officer
- Mark G. Lauby, Senior Vice President and Chief Engineer
- Sonia Mendonca, Senior Vice President, General Counsel, and Corporate Secretary
- Janet Sena, Senior Vice President, External Affairs
- Howard Gugel, Vice President, Engineering and Standards
- Stanley Hoptroff, Vice President, Business Technology
- Kimberly Mielcarek, Vice President, Communications
- Bryan Preston, Vice President, People and Culture
- Andy Sharp, Vice President and Chief Financial Officer
- Mechelle Thomas, Vice President, Compliance

FURTHER RESOLVED, that the Board, upon recommendation of the Chair in consultation with the CGHRC, hereby approves the following 2022 Board Committee Assignments, as presented to the Board at this meeting.

Corporate Governance and Human Resources

Chair: Suzanne Keenan

Robert G. Clarke
George S. Hawkins
Larry Irving
Robin E. Manning
Roy Thilly

Finance and Audit

Chair: Jim Piro

Robert G. Clarke
George S. Hawkins
Susan Kelly
Colleen Sidford
Roy Thilly

Technology and Security

Chair: Jane Allen

Larry Irving
Suzanne Keenan
Robin E. Manning
Jim Piro
Colleen Sidford

Compliance Committee

Chair: Robin E. Manning

Jane Allen
George S. Hawkins
Susan Kelly
Roy Thilly

Enterprise-wide Risk

Chair: Colleen Sidford

Robert G. Clarke
Suzanne Keenan
Susan Kelly
Larry Irving
Jim Piro

Nominating Committee

Chair: Robert G. Clarke

Jane Allen
George S. Hawkins
Larry Irving
Susan Kelly
Robin E. Manning
Colleen Sidford
Roy Thilly

MRC Members

Roy Jones, MRC Chair
Jennifer Flandermeyer, MRC Vice Chair
Additional MRC Members to be determined

Related Assignments

- **ESCC Observer:** Kenneth W. DeFontes, Jr.
- **MEC Liaison:** Suzanne Keenan
- **Liaison to the Standards Committee:** Susan Kelly
- **Liaison to the Reliability and Security Technical Committee:** Roy Thilly
- **International Liaison:** Colleen Sidford
- **Ex Officio all committees:** Kenneth W. DeFontes
- **Immediate Past Chair:** Roy Thilly

Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey

Mr. DeFontes reported on the results of the recent Board of Trustees Self-Assessment and MRC Assessment of the Board of Trustees Effectiveness Survey and thanked the participants for their feedback. Ms. Kelly expressed her appreciation for the feedback provided by the MRC, and Mr. Thilly noted the generally positive tone of the feedback received.

Board Committee Reports

Corporate Governance and Human Resources

Mr. Hawkins, Committee Chair, reported on recent Committee meetings. At the closed meeting on January 19, 2022, the Committee reviewed the 2021 corporate performance results, proposed Board committee assignments and officer appointments, proposed changes to the Governance Guidelines, and performed the annual review of significant benefit plans. The Committee met in executive sessions to discuss confidential human resource and compensation matters, including to approve the annual company performance award.

At the closed meeting on February 7, 2022, the Committee reviewed items in advance of the February 9, 2022 open meeting. The Committee also met in executive session to discuss confidential compensation matters. At the Committee's open meeting on February 9, 2022, the Committee reviewed the results of the Board self-assessment and MRC assessment of Board effectiveness survey, reviewed the annual conflict of interest and independence report, and received an update on human resources and staffing. The Committee also took action on three items for the Board's consideration at this meeting.

First, the Committee approved and recommended for Board approval revisions to its mandate, as well as revisions to the mandates of the Finance and Audit and Enterprise-wide Risk Committees. Upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves the Corporate Governance and Human Resources Committee ("CGHRC") Mandate, substantially in the form presented to the Board at this meeting, to replace the CGHRC Mandate approved by the Board on February 4, 2021.

FURTHER RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves the Finance and Audit Committee ("FAC") Mandate, substantially in the form presented to the Board at this meeting, to replace the FAC Mandate approved by the Board on February 4, 2021.

FURTHER RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves the Enterprise-wide Risk Committee ("EWRC") Mandate, substantially in the form presented to the Board at this meeting, to replace the EWRC Mandate approved by the Board on February 4, 2021.

Second, the Committee approved and recommended Board approval of revisions to the NERC Governance Guidelines. Upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board hereby approves the revised Governance Guidelines, substantially in the form presented to the Board at the meeting, to replace the Governance Guidelines approved by the Board on May 13, 2021.

Lastly, the Committee approved and recommended Board approval of an increase to the Board Vice Chair Stipend. Mr. DeFontes explained the need for the proposed increase in light of the workload for the position. Upon motion duly made and seconded, the Board approved the following resolution:

WHEREAS, in November 2021 the Board, upon recommendation of the CGHRC, approved certain modifications to the Trustee compensation program to be implemented during a three year period, from 2022 to 2024;

WHEREAS, the Board maintained the retainer for the Board chair and Committee chairs at current levels with the understanding that it would perform an annual review to consider whether an adjustment to the retainers for Committee chairs would be warranted in 2023 and 2024;

WHEREAS, in reviewing the 2022 assignments, the Board has determined that there are substantial additional responsibilities and time commitment associated with the role of Vice Chair, with the Board Vice Chair's workload in 2022 expected to match the Committee chair workload;

WHEREAS, the Board recognizes the importance for NERC to be able to recruit and retain qualified and quality individuals to Board service, in light of competition from other organizations and significant limitations to outside activities for NERC Trustees due to a strict conflict of interest policy;

NOW, THEREFORE, BE IT RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves an increase in the Vice Chair retainer to \$10,000, beginning in 2022.

Compliance

Mr. Manning, Committee Chair, reported on recent meetings of the Committee. At the Committee's closed meeting on February 8, 2022, the Committee received an update on Compliance Monitoring and Enforcement Program (CMEP) trends, received an update on CMEP significant matters, previewed open meeting items, and reviewed the wrap-up of the 2021 work plan. At the Committee's open meeting on February 9, 2022, the Committee received updates on facility ratings, compliance guidance, the Compliance Monitoring and Enforcement Program annual report, and performed the annual review of its Committee mandate.

Finance and Audit

Mr. Clarke, Committee Chair, reported on recent meetings of the Committee. At the February 8, 2022 closed meeting, the Committee reviewed items in advance of its open meeting and received updates on the working capital and operating reserve policy, investment performance, and internal audit matters. The Committee also met in executive session with the Director of Internal Audit.

Mr. Clarke reported that, at its February 9, 2022 open meeting, the Committee took action on several items. First, the Committee approved and recommended CGHRC approval of proposed revisions to the Committee mandate. Second, the Committee reviewed and recommended for Board acceptance the 2021 Year-End Unaudited Statement of Activities. Upon motion duly made and seconded, the Board approved the following resolution:

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

Third, the Committee reviewed and recommended for Board approval the renewal of the capital financing program. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, NERC, with stakeholder support and Board approval, established a capital financing facility in 2013 to fund the development and acquisition of significant Electric Reliability Organization (ERO) software applications and information technology hardware, and spread the acquisition costs and related funding for debt service required from assessments over a multi-year in order to mitigate the impact on single year assessments;

WHEREAS, in May 2020, the Board approved the extension of the capital financing program credit facility;

WHEREAS, NERC management recommends the continuation of the capital financing program to address anticipated needs, with a reduced credit facility of \$5 million with up to a 60-month term;

NOW, THEREFORE, BE IT RESOLVED that the Board, upon the recommendation of the FAC, hereby approves the renewal of the capital financing program, and authorizes management to proceed to take such actions

as are necessary to finalize and execute the credit facility documentation, consistent with the parameters of a term sheet provided by the lender.

BE IT FURTHER RESOLVED that the Board, upon the recommendation of the FAC, hereby authorizes NERC management to take such actions as are necessary to finalize and execute the capital financing facility documentation on an annual basis so long as the material terms of the renewal remain substantially the same.

Mr. Clarke congratulated Mr. Sylvain Clermont of Hydro Quebec upon his retirement and thanked him for his contributions to the business plan and budget input group over the years.

Enterprise-wide Risk

Ms. Sidford, Committee Chair, reported on the Committee's closed meeting on February 8, 2022. At its meeting, the Committee received updates on the activities of the Compliance and Certification Committee, Regional Entity activities, the 2022 internal audit work plan, NERC corporate risk management activities, and the Enterprise risk management plan. The Committee also approved and recommended to the CGHRC revisions to the Committee mandate.

Technology and Security

Ms. Allen reported on the Committee's open meeting on February 9, 2022 on behalf of Ms. Keenan, Committee Chair. At the meeting, the Committee received updates on E-ISAC operations, the ERO Enterprise Align project, and ERO Enterprise business technology. The Committee also performed its annual review of its mandate.

Nominating

Mr. Thilly, Committee Chair, reported that the MRC approved the Committee's recommended nominations at its meeting and congratulated the Trustees on their reelection.

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. He also reported on the activities of the Energy Reliability Assessment Task Force.

Turning to recent Standards Committee activities, Mr. Piro reported on actions taken at recent meetings, including action on the cold weather standards project and action to revise the Committee Charter consistent with the Board's direction at the November 2021 meeting. Other actions taken at the meetings include authorizing postings, accepting Standard Authorization Requests, and appointing drafting teams.

Standards Quarterly Report and Actions

Standards Committee Proposed Charter Amendments

Mr. Gugel presented the proposed Standards Committee Charter amendments, noting they were developed in response to the Board's November 2021 directive to 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.

Mr. DeFontes added that the Board is also directing NERC Staff to perform a further review of NERC's processes to ensure that they remain agile to address new and emerging risks. Mr. Thilly remarked on the need to have processes that are not only agile, but also deliberate, careful, and maintain stakeholder representation.

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

WHEREAS, in November 2021, the Board directed 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;

WHEREAS, the Standards Committee has proposed a series of revisions to its Charter to clarify the role of the Committee as a procedural oversight body and reiterate the Committee's ability under existing rules to take steps to expedite standards development in certain cases;

WHEREAS, the Board finds that, while such Charter changes are sufficient to address the Board's November 2021 directive, the rapid evolution of the Bulk Power System demands that NERC undertake a comprehensive review of its rules and processes to identify revisions that would enhance NERC's ability to address urgent reliability needs with appropriate agility;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the proposed amendments to the Standards Committee Charter, substantially in the form presented to the Board at the meeting, to replace the Charter approved by the Board on November 4, 2021.

BE IT FURTHER RESOLVED, that the Board hereby directs NERC staff to examine the body of rules regarding Reliability Standards development and, considering the feedback of stakeholders, recommend such changes that would improve NERC's ability to address urgent reliability needs with appropriate agility, while also maintaining reasonable notice and opportunity for public comment, due process, openness, and balance of interests.

BE IT FURTHER RESOLVED, that NERC staff is directed to provide an update on this effort in May and August, and present its recommendations to the Board at the December 2022 meeting.

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.

Cold Weather Standard Development Update

Mr. Gugel provided an update on standard development activities to address the recommendations of the FERC/ERO Enterprise joint inquiry into February 2021 cold weather outages in Texas and the south central United States.

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 February 10, 2022 Member Representatives Committee meeting. Mr. DeFontes expressed his appreciation for the policy input and feedback.

CIP-014 Compliance Evidence

Mr. Noess presented proposed Reliability Standard CIP-014-3 for the Board's adoption, noting that the only change to the standard is to remove a unique compliance monitoring provision that is no longer needed for security following the adoption of Align and the Secure Evidence Locker and the alternative measures available. No changes are proposed to the mandatory and enforceable elements of the standard.

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

WHEREAS, through the Secure Evidence Locker, the ERO Enterprise has a highly secure means to collect and analyze sensitive information collected during Compliance Monitoring and Enforcement Program activities;

WHEREAS, Reliability Standard CIP-014-2 contains a compliance provision, unique to the standard and predating the Secure Evidence Locker, that requires all evidence of compliance to be retained at registered entity facilities;

WHEREAS, removing this compliance provision would facilitate secure, effective, and efficient oversight of entity compliance with the CIP-014 Reliability Standard, consistent with ERO Enterprise Compliance Monitoring and Enforcement Program practices for other Reliability Standards;

WHEREAS, beyond the removal of this compliance provision, no other changes are proposed to Reliability Standard CIP-014-2 or the associated elements;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the proposed Reliability Standard CIP-014-3, as presented to the Board at this meeting.

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

BE IT FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard CIP-014-2, as presented to the Board at this meeting.

BE IT FURTHER RESOLVED, that NERC management is hereby authorized to make any 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.

Supply Chain Risk Management

Mr. Gugel and Mr. Thomas Galloway, President and CEO of the North American Transmission Forum, provided an update on supply chain risk management activities in support of the Board's 2017 resolution requesting the North American Transmission Forum and others in industry to develop and share best and leading practices in supply chain management. Mr. Galloway highlighted activities of the NATF, including the development of a supply chain assessment model, ongoing collaboration with NERC and the E-ISAC, and the formation of an industry organizations team to collaborate with others and disseminate educational materials. He also highlighted proposed CIP-013 implementation guidance developed by the NATF. Mr. DeFontes expressed his appreciation for the contributions of the NATF in advancing efforts to mitigate this reliability risk.

Year-End Review of the Achievements of the 2021 ERO Enterprise Work Plan Priorities

Mr. Chanzas provided a summary of the end-of-year status of the 2021 ERO Enterprise Work Plan Priorities, referencing the materials included in the advance agenda package. She recalled NERC's core priorities for 2021: energy sufficiency, cold weather, and cyber and physical security threats. She highlighted key accomplishments in

the areas of reliability risk mitigation, E-ISAC, the NERC employee experience, ERO Enterprise transformation, and the reliability ecosystem, and noted that 53 of 57 tactical items had been completed in 2021. Mr. DeFontes congratulated NERC staff on a great year.

Risk Registry Update

Ms. Kim provided an update on the risk registry, referencing the materials in the advance agenda package. She highlighted progress made in 2021 and ongoing progress on developing work plans to address key areas.

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.

Member Representatives Committee

Mr. Roy Jones, Committee Chair, provided a summary of the Committee meeting held earlier in the day, highlighting the re-election of four Trustees and discussion of policy input.

Personnel Certification Governance Committee

Mr. Cory Danson, Committee Chair, provided an update on the activities of the Committee, referencing the materials in the advance agenda package. He reviewed the proposed revised System Operator Certification Manual. After discussion, and upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board hereby approves the revised System Operator Certification Manual, substantially in the form presented to the Board at the meeting, to replace the System Operator Certification Program Manual approved by the Board in May 2016 and updated in April 2020.

Mr. Danson then presented the proposed 2022 Committee work plan for the Board's approval. Upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board hereby approves the Personnel Certification Governance Committee 2022 Work Plan, substantially in the form presented to the Board at this meeting.

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 then presented the proposed 2022-2024 Strategic Work Plan for the Board's approval. Upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board hereby approves the Standards Committee 2022-2024 Strategic Work Plan, substantially in the form presented to the Board at this meeting.

Compliance and Certification Committee

Mr. Scott Tomaszewski, Committee Chair, provided an update on the activities of the Committee, referencing the materials provided in the advance agenda package. He then presented the proposed 2022 Committee work plan for the Board's approval. Upon motion duly made and seconded, the Board approved the following resolution:

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

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. He highlighted the upcoming RSTC information session and intention to hold such sessions before all open meetings in the future.

Reliability Issues Steering Committee

Mr. Brian Slocum, 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.

Electricity Subsector Coordinating Council

Mr. Robb reported on recent Electricity Subsector Coordinating Council activities.

Forum and Group Reports

North American Energy Standards Board

Mr. Michael Desselle, Chair of the NAESB Board of Directors, provided an update on NAESB activities in areas of mutual interest, including battery storage and natural gas-electric coordination.

North American Transmission Forum

Mr. Tom Galloway, Forum President and Chief Executive Officer, provided an update on Forum activities, including work pertaining to Facility Ratings.

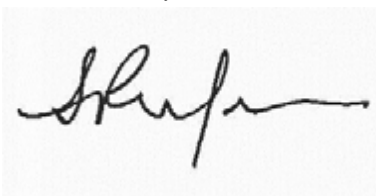
North American Generator Forum

Mr. Allen D. Schriver, Forum Chief Operating Officer, referenced the written report included in the advance agenda package.

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