

Draft Minutes Board of Trustees

April 4, 2025 | 10:30–11:30 a.m. Eastern
Virtual

Call to Order

Ms. Suzanne Keenan, Chair, called to order the duly noticed open meeting of the Board of Trustees (Board) of the North American Electric Reliability Corporation (NERC or the Corporation) on April 4, 2025, at approximately 10:30 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Board Members

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

NERC Staff

Tina Buzzard, Director, Board Operations and Corporate Governance
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Jamie Calderon, Director, Standards Development
Shamai Elstein, Associate General Counsel
Howard Gugel, Senior Vice President, Regulatory Oversight
Kelly Hanson, Senior Vice President and Chief Operating Officer
Soo Jin Kim, Vice President, Engineering and Standards
Mark G. Lauby, Senior Vice President and Chief Engineer
Lauren Perotti, Assistant General Counsel
Sonia Rocha, Senior Vice President, General Counsel, and Corporate Secretary
Camilo Serna, Senior Vice President, Strategy and External Engagement

NERC Antitrust Compliance Guidelines

Ms. Buzzard directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the advance agenda package and indicated that all questions regarding antitrust compliance or related matters should be directed to Mr. Elstein.

Introduction and Chair's Remarks

Ms. Keenan welcomed the attendees to the meeting. She noted that the purpose of the meeting is to consider the proposed Reliability Standard EOP-012-3 which completed development under the special processes for standards

provided in Section 321.5 of the NERC Rules of Procedure. Ms. Keenan noted that the Board did not take lightly the action before it. While the Board remains committed to the consensus process, NERC also has a responsibility to develop a standard to address an important reliability risk consistent with the Federal Energy Regulatory Commission (FERC) directives. Ms. Keenan thanked the Standards Committee and the industry volunteers who worked to develop the standard and address the numerous comments received from industry.

Ms. Keenan then reviewed the Board's responsibilities in making its decision. She noted that FERC has previously approved the general framework of the EOP-012 standard as just and reasonable, not unduly discriminatory or preferential, and in the public interest, while directing additional changes to clarify and improve the framework. The Board would therefore be focusing its attention on the changes to address these directives. Ms. Keenan reviewed the Board's obligation to make a finding that: (1) the applicable process was followed; (2) that the proposed standard appropriately considered all the comments provided throughout the process and addresses the FERC directives; and (3) that the proposed changes are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

Ms. Keenan reported that the Board has received several materials from NERC Management to aid in its decision-making, including: (1) the industry comments from the final posting; (2) summaries of the approach taken, both procedurally and substantively; (3) an assessment of contrary positions and other comments considered; and (4) the legal criteria to be applied to its decision. She further noted that, given the information to be reviewed, the Board asked for additional time from FERC to make its determination.

Ms. Keenan then introduced Mr. Elstein to review the legal requirements. Mr. Elstein reviewed Section 321.5 of the NERC Rules of Procedure, which provides that the Board is authorized to approve a proposed Reliability Standard upon a finding that the standard, with such modifications as the Board determines appropriate in light of comments received, is just, reasonable, not unduly discriminatory or preferential, and in the public interest. Section 321.5 further states that in making such a determination, the Board should consider, among other things, whether the proposed standard is practical, technically sound, technically feasible, cost justified and serves the best interests of reliability of the bulk power system. Mr. Elstein also reviewed the factors identified by FERC in Order No. 672 in determining whether a proposed standard is just, reasonable, not unduly discriminatory, and in the public interest.

Project 2024-03 Revisions to EOP-012-2 Extreme Cold Preparedness and Operations

Ms. Kim reviewed the proposed Reliability Standard, noting that it addresses the FERC directives from the June 2024 order by clarifying the Generator Cold Weather Constraint framework, enhancing requirements for corrective action plans and timelines for addressing known freezing issues, requires any corrective action plan extensions to be approved by the Compliance Enforcement Authority, and requires new units entering commercial operation on or after October 1, 2027 to have the required cold weather capability by their commercial operation date.

Ms. Kim noted that there were several changes reflected in the proposed standard that were made in response to comments received during the Rules of Procedure Section 321.5 public comment period, including a revised definition of Generator Cold Weather Constraint, clarification of corrective action plan requirements, addition of an officer attestation requirement for certain economic Generator Cold Weather Constraints, and an updated implementation plan. She also noted that further revisions were made to the EOP-012-3 Generator Cold Weather Corrective Action Plan Extension and Constraint Process, a document maintained by the Compliance Monitoring and Enforcement Program.

Ms. Kim reported that the proposed standard includes a two-year compliance abeyance period intended to identify and address issues related to the calculation of the Extreme Weather Temperature. She noted that this provision was included following numerous industry concerns related to this calculation earlier in the development process.

Ms. Keenan led a discussion of the proposed standard. Ms. Kelly, Standards Committee Liaison, remarked on the continued engagement of industry following the Board invoking Section 321.5 of the Rules of Procedure and expressed her appreciation for their hard work. She stated that the proposed standard balances the various viewpoints raised while advancing reliability and addressing the FERC directives, and it meets the required standard for approval. Mr. Manning, Regulatory Oversight Committee Chair, echoed his appreciation for the small team who considered the stakeholder comments as well as the stakeholders for their helpful and constructive comments. He stated that the standard meets the technically feasible and practicality tests, although much work remains to be done, and that it will advance reliability. Other Trustees similarly expressed their support for the proposed standard and appreciation to NERC's stakeholders for their participation in this important effort.

Ms. Schmidt invited participants in the meeting to raise any further concerns that should be brought before the Board. None were raised.

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

WHEREAS, on November 1, 2021, the Board, noting the demonstrated risks to reliability posed by multiple cold weather events over previous years, resolved to direct the development of new or revised Reliability Standards to address the recommendations of the February 2021 Event joint inquiry report for cold weather preparedness, operations, and coordination on a high priority basis;

WHEREAS, the Federal Energy Regulatory Commission (FERC) issued an order approving Reliability Standards EOP-011-3 and EOP-012-2 by order dated February 16, 2023, while directing NERC to submit further revisions to EOP-012 within one year of the date of the order;

WHEREAS, the Board adopted Reliability Standard EOP-012-2 on February 16, 2024, developed to address the directives of the February 16, 2023 Order;

WHEREAS, FERC issued an order on June 27, 2024, approving Reliability Standard EOP-012-2 and directing NERC to further revise the EOP-012 standard to address issues not fully resolved from the February 16, 2023 Order, and to submit a revised standard by March 27, 2025;

WHEREAS, on January 10, 2025, the Board, considering the standards development proceedings conducted to that time, determined it necessary and appropriate to employ the special processes described in Rule 321.5 of the NERC Rules of Procedure to develop a proposed draft EOP-012-3 standard that is responsive to the matters identified in the directives issued by FERC in its June 27, 2024 Order;

WHEREAS, the Board directed the Standards Committee, with the assistance of stakeholders and NERC staff, to prepare a draft Reliability Standard responsive to the directives in FERC's June 27, 2024 Order to be posted for public comment by no later than January 29, 2025;

WHEREAS, a draft EOP-012-3 standard was prepared and posted for public comment from January 27, 2025 to March 12, 2025, and during this comment period, NERC received 43 sets of responses, including comments from approximately 108 different people from approximately 77 companies representing 7 of the industry segments;

WHEREAS, to ensure that each of these comments would be given due consideration, NERC requested that FERC grant NERC a modest extension of its June 27, 2024 Order deadline, from March 27, 2025 to April 14, 2025;

WHEREAS, the Board hereby expresses its appreciation to the Standards Committee and to NERC's stakeholders in developing a proposed standard through the alternative consensus building process provided in Section 321.5 of the NERC Rules of Procedure, and for addressing the FERC directives in the June 27, 2024

Order in a manner that balances the various interests raised throughout the process;

WHEREAS, the Board has considered the developmental record for the draft EOP-012-3 standard, including the comments received during the recent posting, and the recommendations of NERC Management for further modifications in light of the comments received;

WHEREAS, the Board has considered NERC Management's recommendation that the proposed Reliability Standard EOP-012-3, with modifications, is practical, technically sound, technically feasible, cost justified, and serves the best interests of the reliability of the Bulk-Power System, for the reasons stated more fully in the development record and advance agenda materials;

NOW, THEREFORE, BE IT RESOLVED, that the Board, upon the recommendation of NERC Management, hereby finds that the proposed Reliability Standard EOP-012-3, with the modifications made in light of the comments received, is just, reasonable, not unduly discriminatory or preferential, and in the public interest;

BE IT FURTHER RESOLVED, that the Board hereby approves the proposed Reliability Standard EOP-012-3, as presented to the Board at this meeting;

BE IT FURTHER RESOLVED, that the Board hereby approves the revised definition of Generator Cold Weather Constraint for inclusion in the *Glossary of Terms used in NERC Reliability Standards*, 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 associated implementation plan 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 EOP-012-2, as presented to the Board at this meeting.

BE IT FURTHER RESOLVED, that the Board hereby directs NERC Management to file the proposed Reliability Standard EOP-012-3 to the Applicable Governmental Authorities, with a request that it be made effective, and to take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Other Matters and Adjournment

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

Submitted by,

A handwritten signature in black ink, appearing to be 'SR', with a long horizontal line extending to the right.

Sônia Rocha
Corporate Secretary