Agenda
Board of Trustees
December 13, 2018 | 2:00-3:00 p.m. Eastern Conference Call

Participant Dial-in: 1-888-224-1005 | Conference ID: 3768516

Call to Order

Introductions and Chair’s Remarks

NERC Antitrust Compliance Guidelines

Agenda

1. 2018 Long-Term Reliability Assessment – Accept

2. Special Reliability Assessment: Accelerated Generation Retirement Scenario – Accept
Antitrust Compliance Guidelines

I. General
It is NERC’s policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC’s compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC’s antitrust compliance policy is implicated in any situation should consult NERC’s General Counsel immediately.

II. Prohibited Activities
Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants’ expectations as to their future prices or internal costs.
- Discussions of a participant’s marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
• Any other matters that do not clearly fall within these guidelines should be reviewed with NERC’s General Counsel before being discussed.

III. Activities That Are Permitted
From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC’s Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

• Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.

• Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.

• Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

• Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.
2018 Long-Term Reliability Assessment

Action
Accept

Background
The Long-Term Reliability Assessment (LTRA) is developed annually by NERC in accordance with the Electric Reliability Organization’s (ERO) Rules of Procedure and Section 215 of the Federal Power Act, which instructs NERC to conduct periodic assessments of the North American bulkpower system (BPS). The 2018 LTRA provides a platform for NERC to discuss emerging reliability issues and for industry to document its plans to maintain reliability during the next 10 years. NERC’s primary objective in this effort is to independently identify and assess issues that may impact the reliability of the BPS. The scope of the assessment includes the following:

- Review, assess, and report on the overall electric generation and transmission reliability (adequacy and operating reliability) of the interconnected BPS, both existing and as planned.
- Assess and report on the key issues, risks, and uncertainties that affect or have the potential to affect the reliability of existing and future electric supply and transmission.
- Review, analyze, and report on self-assessments of electric supply and bulk power transmission reliability, including reliability issues of specific Regional concern.
- Identify, analyze, and project trends in electric customer demand, supply, and transmission and their impacts on BPS reliability.
- Investigate, assess, and report on the potential impacts of new and evolving electricity market practices, new or proposed regulatory procedures, and new or proposed legislation (e.g. environmental requirements) on the adequacy and operating reliability of the BPS.

Summary
The electricity industry provided NERC with resource adequacy projections for the 2019–2028 assessment period. NERC independently assessed these projections and has identified key findings and recommendations. In summary, NERC found that the BPS is undergoing a rapid and significant transformation with ongoing retirements of fossil-fired and nuclear capacity, as well as growth in new natural gas, wind, and solar resources. This shift is caused by several drivers, such as federal, state, and provincial policies, low natural gas prices, electricity market forces, and integration of both distributed and utility-scale renewable resources. The changing resource mix alters the operating characteristics and constraints of the BPS and these changing characteristics must be well understood and incorporated into planning to assure continued reliability.
Special Reliability Assessment: Accelerated Generation Retirement Scenario

Action
Accept

Background
In May 2017, NERC solicited policy input from stakeholders on future special reliability assessments and discussed these topics with the Member Representatives Committee (MRC). NERC proposed conducting an assessment of the potential impacts on bulk power system (BPS) reliability that could be caused by accelerated retirements of large amounts of predominantly coal-fired and nuclear generation resources. The assessment topic was selected to align with the work of the Reliability Issues Steering Committee (RISC) and other NERC reliability assessments to understand and address reliability challenges associated with the changing resource mix.

The assessment examines the effect of a stressful accelerated generation retirement scenario on key BPS reliability indicators. NERC analyzed aggregated generation resource and load projections provided by industry to understand potential impacts of the accelerated retirement scenario on resource reserves across selected NERC assessment areas. To obtain a more granular examination of accelerated retirement scenario impacts, NERC coordinated with industry planners to perform engineering studies that illustrate how transmission system performance could potentially be affected by some scenarios. Finally, NERC reviewed information about regional processes for managing generator retirements and deactivation requests to understand how these processes could be employed to handle an accelerated pace of generator retirements.