



**Policy Input for the NERC Board of Trustees
Provided by the Edison Electric Institute
June 28, 2019**

On behalf of our member companies, the Edison Electric Institute (“EEI”) appreciates the opportunity to provide comments on the first draft of NERC’s 2020 Business Plan and Budget (“Budget”). With the continued upward trend on the annual NERC budget, EEI encourages NERC to continue its efforts to improve the effectiveness and efficiency of the ERO Enterprise and NERC stakeholder committee engagement. As NERC implements enterprise-wide efficiency and effectiveness efforts, EEI encourages NERC to clearly identify those savings to stakeholders.

EEI also continues to support NERC’s investment in the E-ISAC. The execution of the E-ISAC’s Long-term Strategic Plan for building a world class ISAC is critical for providing timely sharing of security threat information.

EEI offers the following comments:

Stakeholder Engagement Efforts

EEI supports efforts to improve the productivity and effectiveness of stakeholder engagement activities. The current Budget reflects a 2.6% increase in meeting and travel expenses. While we understand the evaluation and development of recommendations to enhance stakeholder engagement is still underway, we expect the meeting expenses to decrease in 2020 as result of the effort.

Operations

EEI encourages NERC to continue looking for opportunities to keep operational costs low and focus resources on activities that are aligned with NERC’s performance objectives and RISC priorities. If new risks are identified, NERC should re-evaluate and prioritize activities, including deferring certain work to efficiently manage resources.

Salaries/Medical Expenses

EEI recommends that NERC continue benchmarking with industry and other similar organizations when establishing a base salary increase. EEI believes that the current proposed increase of 3.5% is higher than salary increases seen across industry and government. In the 2019 Budget, the increase was 3%. NERC should provide clarity on the drivers for this increase. Additionally, with an estimated increase of

approximately 13% for medical expenses, EEI encourages NERC to continue looking for opportunities to reduce medical expenses.