

Agenda

Corporate Governance And Human Resources Committee

May 8, 2024 | 8:15-8:45 a.m. Eastern

In-Person (*Board, MRC, NERC Staff ONLY*)

NERC DC Office
1401 H Street NW, Suite 410
Washington, D.C. 20005

Virtual Attendees

Webinar Link: [Join Meeting](#)

Attendee Password: Day1May82024 (32916298 from phones)

Audio Only: 1-415-655-0002 US | 1-416-915-8942 Canada | Access Code: 2310 963 8050

Committee Members

George S. Hawkins - Chair
Jane Allen
Robert G. Clarke
Larry Irving
Suzanne Keenan
Colleen Sidford
Kenneth W. DeFontes, Jr. – *Ex Officio*

Introduction and Chair's Remarks

[NERC Antitrust Compliance Guidelines](#)

Agenda Items

1. **Minutes – Approve**
 - a. February 14, 2024 Open Meeting*
2. **Board of Trustees Annual Evaluation Results* – Review**
3. **People and Culture* – Update**
 - a. Connection and Culture
4. **Other Matters and Adjournment**

*Background materials included.

DRAFT Minutes Corporate Governance and Human Resources Committee Meeting

February 14, 2024 | 11:00 a.m.-11:30 a.m. Central

The Houstonian Hotel Houston
111 North Post Oak Lane
Houston, TX 77024

Chair Suzanne Keenan called to order a duly noticed meeting of the Corporate Governance and Human Resources Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC” or the “Company”) on February 14, 2024, at 11:00 a.m. Central, and a quorum was declared present.

Present at the meeting were:

Committee Members

Suzanne Keenan, Chair
Jane Allen
Robert G. Clarke
George S. Hawkins
Larry Irving
Susan Kelly
Kenneth W. DeFontes. Jr., *ex officio*

Board Members

Robin E. Manning
Jim Piro
Kristine Schmidt
Colleen Sidford
James B. Robb, NERC President, and Chief Executive Officer

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and CEO of the E-ISAC
Candice Castaneda, Senior Counsel
Kelly Hanson, Senior Vice President, and Chief Administrative Officer
Mark Lauby, Senior Vice President, and Chief Engineer
Lauren Perotti, Assistant General Counsel
Sonia Rocha, Senior Vice President, General Counsel, and Corporate Secretary
Liz Saunders, Vice President, People and Culture

NERC Antitrust Compliance Guidelines

Ms. Keenan directed the participants’ attention to the NERC Antitrust Compliance Guidelines included in the advance agenda package.

Chair’s Remarks

Ms. Keenan welcomed participants to the meeting. She thanked the Committee and NERC Board for their engagement during her time as Committee Chair, as well as for NERC staff for their support. She reported that the Committee met in closed session on December 11, 2023 and February 13, 2024 to discuss personnel and compensation matters, succession planning, and ways to improve the effectiveness of the Board going forward. She

noted that the Committee's agenda for this meeting included approving charter changes, and she expressed her appreciation for the work of the industry volunteers that work on these and other NERC committees. She concluded by noting the Board's commitment to continuous process improvement.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the August 16, 2023 meeting as presented at the meeting.

Board Committee and Board of Trustees Annual Evaluations and Committee Mandate Process

Ms. Perotti reviewed the proposed Board of Trustees committee and full Board annual evaluation and committee mandate review processes for 2024. First, she reviewed the proposed committee and full Board evaluation questionnaires, noting that they are based on the enhanced questions used in 2023 as well as the conversation prompts used by the committee chairs for their direct interviews of members in 2023. She noted management's recommendation to conduct direct interviews of committee members every two years, rather than every year. Second, Ms. Perotti reviewed management's recommendation to conduct the annual Board committee mandate review after the annual evaluation process has completed, so that any feedback on the mandates may be considered at that time. After discussion, and upon motion duly made and seconded, the Committee approved the Board Committee and Board of Trustees annual evaluation surveys and authorized their distribution.

Annual Conflict of Interest and Independence Report

Ms. Perotti reviewed the annual conflict of interest and independence report, noting the materials included in the advance agenda package. She reported that each NERC trustee, officer, key employee, and employee is in compliance with all applicable conflict of interest and independence requirements, no modifications are necessary to NERC's policies is required at this time, and NERC's current Board meets all qualifications under applicable laws.

Standards Committee Charter Proposed Amendments

Ms. Perotti reviewed the proposed revisions to the Standards Committee charter, noting that the Standards Committee developed these revisions to address recommendations of the Standards Process Stakeholder Engagement Group to improve how the Standards Committee facilitates the efficient administration of the standards process. After discussion, and upon motion duly made and seconded, the Committee approved the revised Standards Committee charter and recommended it to the Board for approval.

Reliability and Security Technical Committee Charter Proposed Amendments

Ms. Castaneda reviewed the proposed revisions to the Reliability and Security Technical Committee charter, noting that the revisions reflect administrative improvements and clarifications based on lessons learned over the last two years. After discussion, and upon motion duly made and seconded, the Committee approved the revised Reliability and Security Technical Committee charter and recommended it to the Board for approval.

People and Culture

Ms. Saunders provided the People and Culture update, highlighting the evolution of total rewards at NERC. Ms. Saunders covered the highlights of offering differentiators such as, hybrid work, diversity, equity, and inclusion, development and career opportunities, employee resource groups, and mental health resources in NERC's total rewards package for employees.

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

Board of Trustees Annual Evaluation Results

Action

Review

Background

Board of Trustees Self-Evaluation Process

The Board self-evaluation and Members Representative Committee (MRC) effectiveness survey of the Board annually assesses and monitors the performance and effectiveness of the Board. Below is the recommended evaluation process for 2024, consistent with the new qualitative framework adopted in 2023:

- The Board self-evaluation and MRC effectiveness survey of the Board was reviewed and accepted at the first quarter CGHRC open meeting.
- Immediately following the CGHRC open meeting, the survey was released through Diligent Boardbooks with a defined deadline for submission of responses.
- NERC Staff consolidated the responses into a thematic summary. The Chair of the CGHRC and the Board Chair will lead a discussion of the feedback at the CGHRC's second quarter closed meeting. The CGHRC and Board Chair will also provide a high-level summary of the results at the CGHRC's second quarter open meeting.

Summary

In an effort to fully understand what is working and what areas need improvement, the evaluation moved away from numerical ranking and is designed to elicit more substantive narrative, free-form responses.

The Board of Trustees Annual Self-Evaluation examined the following questions:

- **Board Engagement** — Please provide your perspective on the level and quality of engagement of the Board as a whole, and the quality of the Board discussions you have observed.
- **Board Oversight Responsibilities** — Please provide your perspective on the extent to which the Board is focused on the most important issues affecting the organization and whether the existing mechanisms, including Board Committee structures, meeting cadence and agenda topics, and existing management reporting tools provide appropriate visibility and information.
- **Board Skills and Structure** — Please provide your perspective on the Trustee selection process and level of diversity of thought and skills represented in the Board, and how well these skills enable the Board to appropriately guide the organization toward its mission.
- **Board Management** — Please provide your perspective on the content of the meeting agendas and agenda packages, the quality of the materials and presentations, and the procedures for running the meetings, as well as the productivity of the meetings themselves.

- **Overall** — Is there one thing that the Board is doing exceptionally well? One thing that requires immediate improvement. In looking at NERC's strategy and the challenges facing the industry: What advice/suggestions do you have? Please provide any suggestions and other relevant perspectives not covered in the questions above.

The Corporate Governance and Human Resources Committee Chair and Board Chair will review the Board of Trustees self-evaluation results and determine any items for focus or action.

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Results of Board of Trustees 2023 Annual Evaluation

George Hawkins, Chair and Ken DeFontes, Board Chair
Corporate Governance and Human Resources Committee Closed Meeting
May 7, 2024

RELIABILITY | RESILIENCE | SECURITY



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Increase engagement opportunities with primary and new emerging stakeholders.

More robust discussions on critical issues at meetings.

Increased level of engagement on meaningful, impactful, strategic topics has been excellent and should continue.

Increase focus on prioritization of reliability issues impacting the industry and more clearly identify and communicate the priorities with industry.

Concern that the Board is too narrowly focused and/or relying on NERC management positions on issues and not incorporating all viewpoints.

Continue focus on ensuring we are addressing the priorities in the timeline needed to ensure reliability of the grid (i.e., Standards process).

The Board Committees construct is appropriate and effective to include refocus of the Compliance Committee to the Regulatory Oversight Committee.

Increase opportunities for input and feedback from stakeholders:

Evaluate current meeting cadence, consider 3 meetings a year

Provide a means of providing written input/feedback after meetings

Current level of Trustees skills and structure is appropriate; consider adding through future Trustees, experience in areas of consumer advocacy, gas system operations and trading, IBR resource development, financing, operations, and maintenance, and increased experience in cyber and physical security.

Enhancing the Board's Skills matrix to include Attributes increases the transparency on the wholistic look of the Board and assists in identifying gaps for future recruiting.

The Nominating Committee Board selection process has been excellent, including the use of a professional search firm to ensure diversity in experience, background, and perspectives.

Overall, the content of the meeting agendas, agenda packages, quality of materials, presentations, the procedures for running the meetings, and the productivity of the meetings are well executed.

Consider reducing the number of speakers at the beginning of Board meetings to help ensure the more critical topics are not significantly shortened, reducing the value of issues that are important to the ERO Enterprise.

Continue focus on presentation style so that the material is laid out clearly and slides can be seen from a distance (less is more).

Continue to evaluate the appropriate items for discussion in closed and open meetings, reducing redundancy.

All parties need to be more open and engage in discussions during the meetings.

Support/encourage management to invest in NERC's analytical capabilities, so as to strengthen the organization's ability to quantify emerging risks.

Continue support of the CEO in speaking about reliability challenges facing the country to policy makers. Important and valuable.

Opportunity for Canadian Board members schedule regular meetings with NERC's Canadian members to ensure Canadian perspectives are being heard and are properly considered by the Board.

Continue to increase engagement and share positions on issues and thoughts more freely.

The NERC Board of Trustees is a well-respected group with sound discipline, a commitment to the responsibilities of the role, and demonstrates good governance.

The board is fully engaged and willing to lean in on strategic and operational topics and issues.

The board, along with NERC leadership, needs to continue to scan the environment for emerging issues that can impact NERC's ability to achieve their mission.

Focus on further into the future to determine and address problems proactively in lieu of being behind.

A map of North America is shown in a light blue color. A dark blue horizontal band runs across the middle of the map, partially obscuring it. The text "Questions and Answers" is centered within this band.

Questions and Answers

People and Culture

Action

Update

Background

This document serves to provide a detailed update on the ongoing evolution of NERC's total rewards package to help attract, engage, and retain top talent in a pivotal stage in the electricity industry.

Summary

NERC is continuing to execute against its long-term strategic people and culture plan with a focus on total rewards. In the traditional sense, core rewards such as cash compensation, medical and dental benefits, retirement planning, career opportunities and paid time off were expected as part of a total rewards package.

Over the past decade, organizations have looked to add benefits that are differentiators in the market to attract, engage and retain top talent. An increasingly important and evolving differentiator is connection and culture in a post-pandemic environment.

NERC has taken a hybrid approach to how we work, and we are bringing people together for purposeful meetings to collaborate, connect and build culture among the NERC team and with stakeholders. This area is one of continuous improvement as we are acting on the feedback provided by NERC staff, the ERO Enterprise, and stakeholders to help shape and define connection and culture.

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People and Culture Update

Liz Saunders - Vice President, People and Culture
Corporate Governance and Human Resources Committee Meeting
May 8, 2024

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**2024 WPP
in Action**



A map of North America is shown in a light blue color. A darker blue horizontal band runs across the middle of the map, partially obscuring the United States. The text "Questions and Answers" is centered within this band.

Questions and Answers