

Agenda

Member Representatives Committee

February 14, 2024 | 3:30 p.m. – 5:30 p.m. Central

In-Person

The Houstonian Hotel
111 North Post Oak Lane
Houston, Texas 77024
Conference Room: Grand Ballroom

Virtual Attendees

Webcast Link: [Join Meeting](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Consent Agenda

1. **Minutes - (Approve)**
 - a. October 25, 2023 Meeting*
 - b. January 24, 2024 Conference Call*

Regular Agenda

2. **Election of NERC Trustees* - (Elect)**
3. **MRC Governance Guidelines* - (Review)**
4. **General Updates and Reports**
 - a. Business Plan and Budget Input Group Update*
 - b. Update on FERC Activities*
5. **Discussion Items**
 - a. Responses to the Board's Request for Input*
 - i. Promoting Greater Industry Engagement, Alignment, and Accountability
 - b. Additional Discussion on February 14 Board Committee Meetings*
 - i. Finance and Audit Committee
 - ii. Regulatory Oversight Committee
 - iii. Technology and Security Committee
 - iv. Corporate Governance and Human Resources Committee

- c. Additional Discussion on February 14 Technical Session*
 - d. MRC Input and Advice on February 15 Board Agenda Items*
- 6. MRC Effectiveness Recommendations* - (Adopt)**

Informational Items

- 7. Future Meetings***
- 8. Regulatory Update***

*Background materials included.

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.

Draft Minutes

Member Representatives Committee

October 25, 2023 | 1:00 p.m. – 3:00 p.m. Eastern

Chair Jennifer Flandermeyer, with Vice Chair John Haarlow present, called to order a duly noticed meeting of the Member Representatives Committee (MRC) of the North American Electric Reliability Corporation (NERC) via teleconference on October 25, 2023, at 1:00 p.m., Eastern, and a quorum was declared present. The agenda and MRC members and their proxies in attendance are attached as **Exhibits A and B**, respectively.

Introduction and Chair's Remarks

Ms. Flandermeyer welcomed MRC members and attendees, acknowledging the NERC Board of Trustees (Board), Pat Hoffman from the Department of Energy, David Ortiz from the Federal Energy Regulatory Commission (FERC), State Commissioners CJ Manthe and Matt Schuerger, Anna Le from the Canada Energy Regulatory (CER), and new CAMPUT representative Derek Olmstead. She also acknowledged Matt Schuerger's contributions to the MRC, noting that he is stepping down at the end of the year as Commissioner of PUC of Nevada and therefore resigning from the MRC.

Ms. Flandermeyer highlighted the Board's recent adoption of two new NERC Reliability Standards for extreme cold weather which will be filed with FERC for approval and NERC's recent announcement of the [Interregional Transfer Capability Study web page](#) that will allow stakeholders to easily find updates and resources documents related to the effort, including quarterly updates on progress.

Ms. Flandermeyer asked Mr. Ortiz to provide an update on recent FERC activities. He highlighted the recent FERC Order directing NERC to develop new or modified Reliability Standards for inverter-based resources and the upcoming annual FERC Reliability Technical Conference in November.

NERC Antitrust Compliance Guidelines and Public Announcement

Kristin Iwanechko, MRC Secretary, directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda package, and indicated that all questions regarding antitrust compliance or related matters should be directed to Lauren Perotti, assistant general counsel, at NERC.

Minutes

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

Election of MRC Officers for 2024

Roy Jones, past Chair and current representative of Sector 2, facilitated the election of MRC officers for 2024. Mr. Jones announced the re-nominations of Jennifer Flandermeyer for chair and John Haarlow for

vice chair of the MRC for 2024. Upon motion duly made and seconded, the MRC unanimously approved Ms. Flandermeyer as chair and Mr. Haarlow as vice chair.

MRC Effectiveness Update

Ms. Flandermeyer highlighted the MRC's recent efforts to improve its effectiveness. As discussed during the August 2023 MRC meeting, the MRC established sub-groups to discuss the following areas identified for additional discussion: (1) balancing technical and policy input; (2) MRC structure; (3) MRC opportunities for strategy discussions; (4) MRC value proposition; and (5) culture of collaboration and engagement.

The MRC leads of each sub-group provided an update on discussions to date regarding possible recommendations that would be presented for MRC approval in February 2024. Many of the initial discussions and recommendations focus on increasing MRC awareness of governance and processes, ensuring an engaging and collaborative MRC culture, and improving onboarding and support for new MRC members. The leads will work together to ensure final recommendations are coordinated and not duplicative. Ms. Flandermeyer expressed appreciation to MRC members for their work on this effort.

Overview of MRC Opportunities to Participate in Committees and Groups

Ms. Flandermeyer noted that one of the MRC's key responsibilities is to provide advice and recommendations to the Board. This happens through a number of forums, including certain sub-groups and committees. Ms. Flandermeyer and Mr. Haarlow provided an overview of the roles of the Board of Trustees Nominating Committee, MRC Business Plan and Budget Input Group, and Reliability Issues Steering Committee, each of which requires participation from MRC members. MRC participation in these groups is important and the MRC members that participate in these groups are intended to represent the full MRC.

MRC Sector Nominations and Elections Schedule

The MRC Sector nominations and elections schedule was included in the agenda package.

Future Meetings

The schedule of future meeting dates was included in the agenda package. Chair Flandermeyer noted that the February 2024 Board and MRC meetings will be held in Houston, TX, the week of February 12. An MRC orientation will also be held for all MRC members that week.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko
Secretary

DRAFT Minutes

Member Representatives Committee

Informational Session

January 24, 2024 | 1:00 p.m. – 2:30 p.m. Eastern

Introduction and Chair's Remarks

Chair Jennifer Flandermeyer convened a duly noticed open informational session of the North American Electric Reliability Corporation (NERC) Member Representatives Committee (MRC) via teleconference on January 24, 2024, at 1:00 p.m., Eastern. The meeting announcement and agenda are attached as **Exhibits A and B**, respectively.

NERC Antitrust Compliance Guidelines and Public Announcement

Kristin Iwanechko, MRC Secretary, directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda package, and indicated that all questions regarding antitrust compliance or related matters should be directed to Sonia Rocha, senior vice president, general counsel, and corporate secretary at NERC.

Electricity Regulatory Framework in Canada

Ms. Flandermeyer introduced this item, which was intended to provide an overview of the electricity regulatory framework in Canada, including Reliability Standards in Canada and Canadian participation and relationships with NERC and the Regional Entities. A presentation was given by Kristine Bienert, Executive Director, Energy Supply, Compliance, and Mandatory Reliability Standards at British Columbia Utilities Commission (BCUC), and Derek Olmstead, Administrator and CEO at Alberta's Market Surveillance Administrator (MSA). The [presentation](#) is posted within the agenda package on the NERC website.

Review of First Quarter Meeting Schedule and Preliminary Agenda Topics

Ms. Rocha and Ms. Flandermeyer reviewed the meeting schedule and highlighted key agenda topics for the MRC, Board, Board Committee, and Technical Session meetings being held on February 14-15, 2024, in Houston, Texas. A complete list of preliminary agenda topics for the February 2024 meetings was included in the posted agenda package. MRC members should review all agenda materials for the Board and Board Committee meetings and technical session, once posted and available, and attend as many of these meetings as possible.

Input Letter Reminder

Ms. Flandermeyer announced that the Board's request for MRC input was issued on January 17, 2024, and responses are due by Monday, February 5, 2024, to Kristin Iwanechko, MRC Secretary. Ken DeFontes, Board chair, provided an overview of the request in the input letter for Promoting Greater Industry Engagement, Alignment, and Accountability. The Board also requested input on the preliminary agenda topics for the February 14-15, 2024, meetings referenced in the input letter. There will be time dedicated on the MRC's February 14, 2024, agenda for MRC members to provide input and advice on the Board agenda items after the final package has been posted.

Proxy Reminder

Proxy notifications for the February 14, 2024 meeting must be submitted in writing to Ms. Iwanechko.

Meeting Adjourned

There being no further business, the call was terminated.

Submitted by,



Kristin Iwanechko
Secretary

Election of NERC Trustees

Action

Elect four NERC Board of Trustees (Board) as Class of 2027 (with three-year terms).

Background

Election of the trustees of the Corporation is governed by Sections 5 and 6 of Article III of the [Bylaws](#). The details are provided in the attached report. Robert G. Clarke, chair of the Board's Nominating Committee, will present the enclosed report.

Attachment

1. Report of the Nominating Committee to the Member Representatives Committee

Report of the Board of Trustees Nominating Committee to the Member Representatives Committee

January 24, 2024

The Nominating Committee of the Board of Trustees for the North American Electric Reliability Corporation (NERC) recommends the following nominees for election to the NERC Board of Trustees at the Annual Meeting of the Member Representatives Committee (MRC) on February 14, 2024:

Class of 2027 (three-year terms):

George S. Hawkins
Larry Irving
Susan Kelly
Robin E. Manning

This report includes a brief biography of each nominee.

Members of the Nominating Committee

The Nominating Committee consists of independent NERC Trustees Robert G. Clarke (Committee Chair), Jane Allen, Ken DeFontes, Suzanne Keenan, Colleen Sidford, Jim Piro, and Kristine Schmidt and MRC Members Jennifer Flandermeyer, MRC Chair, John Haarlow, MRC Vice Chair, Joel Dembowski, Jason Marshall and John Twitty.

Background

Article III of NERC's Bylaws establishes the qualifications and sets the nomination and election procedures for members of NERC's Board of Trustees. NERC's independent trustees serve staggered three-year terms, and an election of trustees occurs at the annual meeting of the MRC each year (February), or as deemed necessary based on special circumstances. All independent trustees are to be elected from nominees proposed by the Nominating Committee. A nominee shall be elected an independent trustee if such person receives the affirmative vote of two-thirds of the members of the MRC. Each nominee receiving the necessary two-thirds vote of the MRC shall take office immediately upon election.

The incumbent Trustees whose terms expire at the February 2024 annual meeting are George S. Hawkins, Larry Irving, Susan Kelly and Robin E. Manning.

Committee Process

The Nominating Committee was requested to present four nominees for election at the February 2024 MRC meeting. The Committee was pleased to learn that each of Ms. Kelly and Messrs. Hawkins, Irving, and Manning were willing and interested to serve an additional term. Committee members solicited the views of stakeholders on each of the incumbents and reviewed their performance. Based on stakeholder input

and the Committee's own views, the Committee determined that each of the incumbents were well-qualified to continue to serve and should be re-nominated.

As set forth in this report, the Nominating Committee unanimously recommends the four nominees for election to the NERC Board of Trustees for a three-year term ending at the February 2027 annual meeting of the MRC.

Trustee Succession

The Board of Trustees has adopted a policy statement on trustee succession as set forth in the NERC Governance Guidelines, and the Nominating Committee has followed that policy in making the nominations. The policy statement directs the Nominating Committee to observe the following guidelines in proposing nominees to serve as independent trustees:

- Each year the Nominating Committee should include in its report to the MRC a calculation of the average tenure of the independent trustees. The Nominating Committee should endeavor to keep the average tenure of independent trustees below six years.¹
- To the extent feasible, the Nominating Committee should determine, prior to soliciting suggestions for candidates, whether the Committee expects that one or more incumbent trustees will not be re-nominated.
- No independent trustee may be re-nominated or reappointed after he or she has served on the Board for twelve consecutive years.

As of February 2024, the incumbent nominees will have the following years of service on the NERC Board:

George S. Hawkins	9 years
Larry Irving	3 years
Susan Kelly	3 years
Robin E. Manning	6 years

Assuming the election of the nominees, as of February 2023 the average tenure of all independent trustees would be 4.9 years.

Biographies of the Nominees

George S. Hawkins

George S. Hawkins was elected to the NERC Board of Trustees in February 2015. Mr. Hawkins serves as the Board vice chair and on the Compliance, Corporate Governance and Human Resources, and Finance and Audit Committees.

Mr. Hawkins most recently served as the chief executive officer of the District of Columbia Water and Sewer Authority (DC Water) from 2009 to 2017. In his role, Mr. Hawkins launched an ambitious agenda to transform DC Water into a customer-oriented enterprise driving innovation and delivering improved value to its ratepayers. The core goal is to improve aging infrastructure while complying with stringent regulatory

¹ The calculations also include any service on the board of the North American Electric Reliability Council.

requirements. DC Water is implementing the \$2.6 billion Clean Rivers Project to nearly eliminate overflows of sewage and storm water to the Anacostia and Potomac rivers and Rock Creek. DC Water is also nearing completion of a \$470 million waste-to-energy program to help manage solids being removed from reclaimed water while generating 13 megawatts of green power. Finally, Mr. Hawkins tripled the rate of DC Water's program to replace water and sewer infrastructure.

Prior to joining DC Water, Mr. Hawkins served as director of the District Department of the Environment (DDOE). Previously, he was the executive director of several non-profit organizations in New Jersey, including New Jersey Future, the Stony Brook Watershed Association, and the New Jersey Council of Watershed Associations. Mr. Hawkins held senior positions with the United States EPA and served then Vice President Al Gore on the National Performance Review, playing an integral role in strengthening environmental protection programs at EPA and OSHA.

Mr. Hawkins began his career by practicing law for the Boston firm Ropes & Gray. He is a member of the Bar in Massachusetts and the District of Columbia. He graduated summa cum laude from Princeton University and cum laude from Harvard Law School. Since 1999, Mr. Hawkins has taught Environmental Law and Policy for the Princeton Environment Institute at Princeton University.

Larry Irving

Larry Irving was elected to the NERC Board of Trustees in February 2021 and serves on the Compliance, Corporate Governance and Human Resources, and Technology and Security Committees.

Mr. Irving is president and CEO of the Irving Group, a consulting firm providing strategic advice and assistance to international telecommunications and information technology companies, investors, philanthropies and non-profit organizations. From 2009 to 2011, Mr. Irving also served as vice president for Global Government Affairs for the Hewlett Company.

Prior to founding the Irving Group in 1999, Mr. Irving served for almost seven years as assistant secretary of Commerce for Communications and Information and administrator of the National Telecommunications and Information Administration (NTIA), where he was a principal advisor to the president, vice president, and secretary of Commerce on domestic and international telecommunications and information technology issues.

Mr. Irving was one of the principal architects and advocates of the Clinton Administration's telecommunications and Internet policies, playing a key role in the administration's successful efforts to reform U.S. telecommunications law. In large part due to his work to promote policies and develop programs to ensure access to advanced telecommunications and information technologies, Newsweek Magazine named Mr. Irving one of the fifty most influential persons in the "Year of the Internet."

In 2019, Mr. Irving was elected to the Internet Hall of Fame for his pioneering efforts identifying the "digital divide" and advocating for domestic and international policies to increase more equitable access to the Internet and related technologies.

Mr. Irving currently serves as a member of the Board of Directors of Education Networks of America, The Texas Tribune, and ReliabilityFirst Corporation. He also serves as a member of Northwestern University's

Board of Trustees, the Board of Visitors for the Weinberg College of Arts and Sciences of Northwestern University, the Board of Visitors for Stanford Law School, and as president of Northwestern's Alumni Association.

He received his bachelor's degree and an Alumni Merit Award for distinguished professional achievement from Northwestern University, where he is a Salute to Excellence Honoree of the Northwestern University Black Alumni Association. He is also a graduate of Stanford University School of Law, where he was elected president of his graduating class and is a Stanford Associate.

Susan Kelly

Susan (Sue) Kelly was elected to the NERC Board of Trustees in February 2021 and serves on the Compliance, Corporate Governance and Human Resources, and Finance and Audit Committees. Ms. Kelly also serves as the observer for the Standards Committee.

Ms. Kelly previously served as president and CEO of the American Public Power Association (APPA) from 2014 to 2019, where she led the national trade association serving public power utilities, having come to the organization in 2004 as its senior vice president of Policy Analysis and General Counsel responsible for APPA's energy policy formulation and policy advocacy before FERC, the federal courts, and other governmental and industry policy forums.

Ms. Kelly has served on a number committees, including the Steering Committee of the Electricity Subsector Coordinating Council (2014 to 2019), the Commodity Futures Trading Commission's Energy and Environmental Markets Advisory Committee (2015 to 2019), the U.S. Department of Energy's Electricity Advisory Committee (2008 to 2009 under the Bush Administration; 2012 to 2014 under the Obama Administration), and as the president of the Energy Bar Association (2010 to 2011). She was also a member of the E Source Advisory Board and served on the Board of Directors of the Center for Energy Workforce Development. She currently serves as chair of the Energy Bar Association Masters Council and has helped start a virtual mentoring program for Energy Bar Association members.

Ms. Kelly was named one of Washington's "Most Powerful Women" in the November 2015 issue of Washingtonian magazine in the "Business, Labor, and Lobbying" category. In March 2017, she was honored as Woman of the Year by the Women's Council on Energy and the Environment. In January 2020, she received Public Utility Fortnightly's Owen Young Award to honor her exceptional contributions to the electric utility industry.

Ms. Kelly earned her bachelor's degree in Honors Interdisciplinary Studies and Economics from the University of Missouri and her juris doctorate from George Washington University, both with high honors.

Robin E. Manning

Robin E. Manning was elected to the NERC Board of Trustees in February 2018. Mr. Manning is the chair of the Compliance Committee and serves on the Enterprise-wide Risk and Technology and Security Committees and as the Reliability and Security Technical Committee observer.

Prior to joining the Board, Mr. Manning served as vice president of Transmission and Distribution Infrastructure for the Power Delivery and Utilization research sector at the Electric Power Research Institute

(EPRI). He had overall management and technical responsibility for the annual research activities conducted by EPRI's transmission and distribution programs in collaboration with its global membership.

Prior to joining EPRI, Mr. Manning served as an executive vice president with the Tennessee Valley Authority (TVA) from 2008 to 2014, where he was responsible at different times during his tenure for external relations, shared services, and power systems operations, and served as Chief Energy Delivery Officer. Previously, he served as vice president at Duke Energy, with responsibility for power delivery and gas transmission.

Mr. Manning served on the University of Houston Engineering Leadership Board and serves as immediate past president of the North Carolina State Engineering Foundation Board. He is also the president of One Heart Global Ministries, a non-profit ministry organization.

Mr. Manning received a bachelor's degree in Electrical Engineering from North Carolina State University where he was recently named to the NC State Electrical and Computer Engineering Hall of Fame. He also holds a master's degree in Business Administration from Queens College in Charlotte, North Carolina.

MRC Governance Guidelines

Action

Review

Summary

The MRC's [Governance Guidelines](#) provide a framework for the general governance of the MRC. The purpose is to (1) highlight important provisions of the NERC Bylaws to facilitate understanding among MRC members of their rights and responsibilities, and (2) provide guidance on the normal operation of the MRC.

The Governance Guidelines are periodically reviewed and were last approved by the MRC on November 5, 2020. As the MRC effectiveness recommendations are implemented, the Governance Guidelines will be reviewed and any recommended revisions will be submitted to the MRC for approval.

No revisions to the Governance Guidelines are recommended at this time.

Business Plan and Budget Input Group Update

Action

Information

Background

The Business Plan and Budget (BP&B) Input Group (Input Group) was established as a means of soliciting MRC and stakeholder feedback on annual budget assumptions, cost drivers, and funding levels including assessments. The group meets primarily during the budget season and as needed in other months to receive updates and provide input to NERC management in support of the MRC's role in providing advice and feedback to the Board of Trustees (Board). The following MRC members are serving on this year's Input Group:

- **John Haarlow (Chair)** – MRC Vice Chair
- **Jennifer Flandermeyer** – MRC Chair
- **John Rhea** – Investor-Owned Utility (Sector 1)
- **Scott Tomashefsky** – State/Municipal Utility (Sector 2)
- **Brian Evans-Mongeon** – Transmission-Dependent Utility (Sector 5)
- **Lesley Gallinger** – ISO/RTO (Sector 10)

In addition to the above MRC members, the Input Group also includes NERC staff, the chair of the NERC Board Finance and Audit Committee (FAC), Colleen Sidford, and a representative from a Regional Entity, Sara Patrick – MRO.

Summary

The Input Group has met once since the last update to the MRC. On November 28, 2023, the Input Group received an update on NERC's Atlanta Office stakeholder survey and the recommended path forward based on the results. The Input Group also previewed NERC's 2024 Work Plan Priorities (WPPs), allowing the group to ask clarifying questions to further understand and support NERC's top priorities in 2024 before the Board of Trustees reviewed and approved the 2024 WPPs during their meeting on December 12, 2023. NERC management also provided an update on planning for NERC's next three-year plan for 2026–2028, asking the Input Group for recommendations and guidance based on lessons learned from the 2023-2025 cycle. Finally, NERC management and the Input Group members discussed recent conversations among stakeholders related to the ERO's net energy for load (NEL)-based billing assessments, acknowledging the need to identify a path forward for addressing the history behind the approach and concerns surrounding how the method is translated to the industry.

John Haarlow, chair of the BP&B Input Group, will provide an update to the MRC on behalf of the group at the MRC meeting on February 14, 2024, to recap these conversations. Additionally, Mr. Haarlow will be welcoming new members to the group and will review the Input Group's plan for engaging with NERC as it develops its 2025 BP&B.

Update on FERC Reliability Matters

Action

Information

Summary

At the February 14, 2024 MRC meeting, Eric Vandenburg, Deputy Director, Office of Electric Reliability (OER), FERC, will provide an update on recent FERC activity.



Update on FERC Activities

Eric Vandenberg, Deputy Director, Office of Electric Reliability

February 14, 2024

The views expressed in this presentation are my own and do not represent those of the Commission or any individual Commissioner.

Major FERC Reliability Activities Since August 2023

- Joint Inquiry into Winter Storm Elliott (11/7/2023)
- FERC Issuances:
 - [IBR Final Rule](#)
 - [Blackstart Study \(12/19/2023\)](#)
 - Order Approving Standards ROP Revisions (RR23-4-000)
- [Annual Reliability Tech Conference](#) (November 9, 2023)



FERC-NERC Joint Inquiry into Winter Storm Elliott

- On November 7, 2023 FERC and NERC released the final report on [Winter Storm Elliott](#).
- **Consistent themes include:**
 - Need for generating unit cold weather preparedness,
 - Natural gas – electric interdependencies, and
 - Need for grid operations preparedness (e.g., load forecasting, grid emergencies).
- **The report recommended the following:**
 - Completion of the Cold Weather Reliability Standard revisions.
 - Robust monitoring of industry implementation of the Cold Weather Reliability Standards Independent Technical Review.
 - Recommends NERC obtain an independent technical review of the causes of cold-related mechanical and electrical generation outages to identify preventive measures.
 - Recommends regulation to establish reliability rules for natural gas infrastructure.
 - Recommends continuing to implement the recommendations of past inquiry reports that could have helped mitigate the effects of Elliott and prepare for the upcoming winter.



IBR Final Rule

- [Order No. 901](#), Reliability Standards to Address Inverter-Based Resources. Docket No. RM22-12-000 issued **October 19, 2023**.
- Order directed NERC to develop a suite of new or modified reliability standards that comprehensively addressed:
 - IBR data sharing,
 - Model validation,
 - Planning and operational studies and
 - Performance requirements.
- Order No. 901 requires NERC to submit new/revised standards in three tranches.
- The Commission declined to dictate specific effective dates; however, the changes need to be effective before 2030.



Blackstart Report

- The [Blackstart Report](#) focused on participant's ability to efficiently recover from blackouts and effectively restart the electric power grid requires the natural gas and electric industries to more strongly collaborate and plan their efforts.
- The study recommends:
 - That state and other authorities with jurisdiction facilitate and moderate engagement among all entities necessary for developing and implementing blackstart system restoration plans.
 - That they assess the impact of a blackout on the natural gas supply chain and develop a coordinated blackstart system restoration plan that meets the needs of both the electric and natural gas industries.
 - That grid operators examine the diversity of fuel, single points of failure, fuel arrangements and other limitations of each blackstart resource.
 - Where feasible, grid operators should incorporate a variety of fuel and non-fuel options into their blackstart system restoration plans.



Annual Reliability Technical Conference

- On November 9, 2023, FERC held its annual Reliability Technical Conference, [Docket AD23-9-000](#). The conference highlighted the challenges faced by an evolving grid. The agenda included:
 1. The state of Bulk Power System Reliability with a focus on the Changing Resource Mix and Adequacy,
 2. CIP Reliability Standards and the Evolving Grid, and
 3. Reliability Implications of EPA’s Proposed Rule on “Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants.



2024 Expected Filings to FERC

January

- INSM report (filed)
- CIP-012
- IBR standards development plan (filed)

July

- INSM standard
- NERC 5-year Perf. Assess.

December

- Extreme weather planning standard
- NERC ITCS

February

- EOP-012
- ROP changes for IBR registration

November

- IBR reliability standards (1/3)



Responses to the Board's Request for Input

Action

Discussion

Background

A letter requesting MRC input is issued by the Chair of the NERC Board of Trustees (Board) four to five weeks in advance of the quarterly meetings and includes relevant materials necessary to inform and prepare for discussion. Written input from the MRC and stakeholders is due approximately three weeks after issuance and is then revisited during a dedicated discussion time on the MRC's agenda, in the presence of the Board.

Summary

For this quarter, the Board requested input from the MRC on *Promoting Greater Industry Engagement, Alignment, and Accountability*. In addition, the Board requested input on preliminary Board, Board Committee, Technical Session, and MRC agenda topics. On February 14, 2024, the MRC can expect to participate in discussion on the responses received from the input request.

The input letter with its attachments and responses will be posted with the Board's [February 2024 meeting materials](#) on February 6, 2024.

Additional Discussion on February 14 Board Committee Meetings

Action

Discussion

Summary

On February 14, 2024, the Member Representatives Committee (MRC) will have additional time for discussion, as part of its own agenda, to respond to the information that is presented during the February 14, 2024, Board Committee meetings. Staff presentations made at the Board Committee meetings will not be duplicated at MRC meeting.

The Board committee agendas and associated background materials will be posted on the following webpages approximately one to two weeks in advance of the meetings:

[Finance and Audit Committee](#)

[Regulatory Oversight Committee](#)

[Technology and Security Committee](#)

[Corporate Governance and Human Resources Committee](#)

Additional Discussion on February 14 Technical Session

Action

Discussion

Summary

On February 14, 2024, the Member Representatives Committee (MRC) will have additional time, as part of its own agenda, to discuss the information that is presented during the February 14, 2024, Technical Session. Presentations made at the Technical Session will not be duplicated at the MRC meeting.

The agenda and associated background materials are posted on the following webpage:

[Technical Session](#)

MRC Input and Advice on February 15 Board Agenda Items

Action

Discussion

Background

Article VIII, Section 1 of the [NERC Bylaws](#) states that the MRC shall have the right and obligation to “provide advice and recommendations to the Board with respect to the development of annual budgets, business plans and funding mechanisms, and other matters pertinent to the purpose and operations of the Corporation.”

In the input letter issued on January 17, 2024, the NERC Board of Trustees (Board) requested comments on the preliminary agenda topics for the February Board meeting that were reviewed during the January 24, 2024, MRC Informational Session. At the February 14, 2024 meeting, MRC members should come prepared to provide input on behalf of their sectors on the Board’s formal agenda package posted on February 1, 2024, on the following webpage:

[Board of Trustees](#)

MRC Effectiveness Recommendations

Action

Adopt

Summary

The MRC regularly evaluates its effectiveness, and in February 2023 established an MRC Effectiveness team to evaluate the MRC's effectiveness in executing its responsibilities. The Team identified themes, initial recommendations, and areas for additional discussion that were discussed during the May 2023 MRC meetings. At the May 10, 2023, MRC meeting, the MRC unanimously endorsed the initial recommendations and the initiation of an evaluation around the areas for additional discussion.

The MRC established sub-groups for each of the areas identified for additional discussion. The sub-groups expanded upon some of the initial recommendations and developed additional recommendations that are being presented to the MRC at its February 14, 2024, meeting for adoption and implementation.

The recommendations outlined in the attached report are focused on how the MRC operates and ensuring an engaging, collaborative, and positive MRC culture. Recommendations are organized under the following categories:

1. Collaboration and Engagement
2. Education and Increased Awareness of Processes
3. Recruiting and Raising Awareness of the MRC's Role
4. Providing Advice and Recommendations to the NERC Board
5. Meeting Logistics and Agenda Development

Attachment

1. MRC Effectiveness Recommendations | February 2024

MRC Effectiveness Recommendations

Adopted by MRC: **DATE**

Background

The Member Representatives Committee (MRC) has three primary responsibilities per Article VIII, Section 1 of the [NERC Bylaws](#):

1. To elect the independent trustees;
2. To vote on amendments to the Bylaws; and
3. To provide advice and recommendations to the Board with respect to the development of annual budgets, business plans and funding mechanisms, and other matters pertinent to the purpose and operations of NERC.

The MRC regularly evaluates its effectiveness, and in February 2023 established an MRC Effectiveness team (“Team”) to evaluate the MRC’s effectiveness in executing its responsibilities. As part of the process, the Team received input from MRC members, NERC Board members, NERC’s CEO, and the NERC Finance team. Based on the input received, the Team identified themes, initial recommendations, and areas for additional discussion that were discussed during the May 2023 MRC meetings. At the May 10, 2023, MRC meeting, the MRC unanimously endorsed the initial recommendations and the initiation of an evaluation around the areas for additional discussion.

The MRC established sub-groups for each of the following areas for additional discussion. The sub-groups expanded upon some of the initial recommendations and developed additional recommendations that are being presented to the MRC at its February 14, 2024, meeting for adoption and implementation.

- **Balancing Technical and Policy Discussion:** The scope of this sub-group was to evaluate the balance of technical discussion supporting effective and efficient recommendations and advice on matters pertinent to successful NERC operations from the MRC to the NERC Board of Trustees.
- **MRC Structure:** The scope of this sub-group was focused on evaluating the MRC structure and participants to ensure that the Sectors represent appropriate constituents to advise the NERC Board effectively, considering the increasing changes to the electric grid and its participants, changing resource mix, and evolving security threats. The sub-team was also asked to explore opportunities to increase participation in all Sectors.
- **MRC Meeting Opportunities to Discuss Reliability Strategy:** The scope of this sub-group was to discuss opportunities to engage in strategic discussions that promote Grid reliability, security, and resilience. There is no intent to exclude stakeholders from the discussion and exploring ways to effectively use strategic sessions to facilitate sensitive discussions that will move the ecosystem forward more quickly. Determination of the process to involve the broader stakeholder community should be an outcome of this project.

- **MRC Value Proposition:** The scope of this sub-group was to identify ways to evaluate opportunities to align stakeholders on the MRC value and responsibilities, as well as identify opportunities to add value to the process.
- **Culture of Collaboration and Engagement:** The scope of this sub-group was on the succession planning and sustainability of the MRC, focusing on education materials, MRC sector partnerships, building opportunities to support the ERO mission and industry’s support of overall success, and MRC administration. During the pandemic, there was a large turnover in the MRC participants that identified opportunities to strengthen the industry networking and engagement with NERC.

Recommendations

The recommendations developed by the sub-groups do not propose changes to NERC’s governance structure or the makeup of the MRC. Overall, the MRC believes a Sector structure organized by business function is appropriate, acknowledging that MRC representatives should be strategic leaders, the entire industry can be represented by the current Sectors, and that no one is prohibited from participating in open MRC meetings.

The recommendations are focused on how the MRC operates and ensuring an engaging, collaborative, and positive MRC culture. Recommendations are organized under the following categories:

1. Collaboration and Engagement
2. Education and Increased Awareness of Processes
3. Recruiting and Raising Awareness of the MRC’s Role
4. Providing Advice and Recommendations to the NERC Board
5. Meeting Logistics and Agenda Development

For ease of reference and tracking, the initial recommendations that were endorsed by the MRC in May 2023 are included in the list below (as modified or expanded by the sub-groups) and identified by an asterisk. **Appendix A** identifies the initial recommendations and shows a mapping to the recommendations below.

1. Collaboration and Engagement

- a. ***MRC Contact Information:** Share MRC contact information with MRC members.
- b. **Sharing Leaders’ Perspectives:** MRC to host panel discussion(s) on strategic topics to bring industry perspectives for the MRC, Board, and industry leaders. The composition of the panels may include CEOs; trade association, associations of government officials, and non-governmental organization presidents; among others.
- c. ***MRC Orientation:** Improve MRC onboarding and orientation materials for new members. Hold an in-person orientation and social gathering annually during the February meetings. Conduct a refresher orientation and check-in session annually during the August meetings. Both meetings

are highly recommended for all MRC members as they serve a dual purpose to introduce MRC members to each other.

- d. ***Ambassador Program:** Develop an ambassador program for new members to connect and learn from current members.
- e. ***MRC Effectiveness Evaluation:** Continue evaluating MRC effectiveness at the appropriate frequency, with a combination of listening sessions and written surveys, as determined by MRC leadership. In addition, for the check-in session in August, incorporate accountability into the effectiveness recommendations to include a status update and close the loop to ensure completion of the work.
- f. **Past Chair Engagement:** Include past chair in planning sessions for MRC meetings where possible to smooth transition and support current leadership with experience (for example, the planning sessions in advance of the February meetings).

2. Education and Increased Awareness of Processes

- a. **Responsibility for Sector Representation:** Increase awareness for MRC representatives regarding representation of their sectors. For example, the sectors that have trade organizations can provide best practices on how they are reaching out and getting information from across their sector.
- b. **Bylaws Amendments Process:** Increase education and awareness of the process for amendments to the Bylaws. Specifically, review what the process is and the elements which are considered (e.g., how “substantial amendment” and “immaterial amendment” determinations are made and socialized).
- c. **NERC Trustees Nomination and Election Process (MRC Leadership and Nominating Committee members responsible for coordinating and communicating with broader MRC members):**
 - Improve education, awareness, and engagement of the election process including the roles and responsibilities of the NERC Board, the Nominating Committee, and the MRC.
 - Increase communication on how the NERC Board, Nominating Committee, and MRC activities align, specifically focusing on increasing transparency into the process. The purpose of this is to allow MRC members who are not part of the Nominating Committee to gain additional information to make an informed decision in electing NERC Trustees, acknowledging the need to respect the confidentiality of the selection process.
 - Share with MRC members the skills/experience of existing NERC Trustees and what skills/experience are desired in the evaluation process.
 - At the beginning of the process, MRC participants on the Board Nominating Committee will provide an opportunity for MRC to provide feedback on the specific skills/experience desired in the evaluation process.
 - MRC participants on the Board Nominating Committee will support the balance of the MRC members with execution of the responsibilities to elect the Trustees.

- d. ***MRC Governance Guidelines:** Conduct biennial review of MRC Governance Guidelines with approval from the MRC.
- e. **Open Board Meeting Schedule and Input Opportunities:** The MRC [and the industry] have the opportunity to provide input to the Board every time the Board meets (not just during in-person meetings).
 - Work with MRC members to ensure awareness of the topics and items under consideration for valid, timely and effective input.
 - MRC leadership will establish a process to work with MRC members for collective input, when possible, on matters where the MRC can provide input on reliability matters that are aligned by sector.
 - Identify process for provision of comments for consideration outside the normal cycle.
- f. **Opportunities for MRC Education and Information:** Consider leveraging informational sessions and other forums to better inform MRC members on ongoing issues likely to come before the Board.

3. Recruiting and Raising Awareness of the MRC's Role

- a. **NERC Member Participation:** Encourage NERC Member participation in the MRC election process and actively solicit increased engagement from less represented areas.
- b. ***Description of Role of MRC Chair and Vice Chair:** Develop a clear description of expectations of the MRC chair and vice chair (e.g., informal engagement with MRC members, roles on other groups or committees, agenda planning with leadership of NERC and NERC Board).
- c. **Description of Role of MRC Representatives:** Develop a clear description for MRC representatives to use as a recruitment tool and to clarify responsibilities and expectations. For example, as an MRC representative, you are expected to coordinate with your sector, understand the organizations that are in it, represent the entire sector's perspective by conducting outreach to all members, and work toward a succession plan for the next MRC seat in that sector. MRC members should understand reliability, security, and resilience priorities for their Sector.
- d. **Support:** Increase support of new members and sectors that do not have a trade organization to assist in coordinating comments. For example, many MRC members are not aware that there are distribution lists that can help them communicate within their sectors.
- e. **Reinforcement:** NERC and peer sectors assisting with reinforcing responsibilities and assist where needed.

4. Providing Advice and Recommendations to the NERC Board

- a. **Strategic Input on Long-Term Risks:** Identify opportunities to provide strategic input for key processes and deliverables at appropriate times (e.g., input on assumptions at the beginning of the LTRA process).

- b. Understanding of NERC’s Strategic Planning Process:** Provide a better understanding for MRC members and industry on how NERC strategic documents work in the construct of governance and what those represent (e.g., ERO Enterprise Work Plan Priorities, ERO Enterprise Long-term Strategy, Biennial ERO Reliability Risk Priorities Report, and the Business Plan and Budget).
- c. MRC to Clarify Types of Policy Implications to Inform Advice to the Board:** Provide clarity on what type of policy the MRC is discussing with clear definitions and understanding of what can/will be addressed to improve the quality of communications. The discussion about actions to be directed should not occur without awareness of the public policy implications to reliability, security, and resilience. But having conversations around implications or perceived gaps between technical analysis happening and what ultimately comes forward to the Board with policy implications is important. This speaks effectively to the reason that Energy Policy was an added section to the ERO Reliability Risk Priorities Report in 2023. The section was not added as a section to be addressed per se, but as a highlight that public policy is impacting reliability, security, and resilience.
- d. Coordination of MRC Input:** Add clarity to input, advice, and recommendations to the NERC Board. Specifically, identify methods to clearly identify different positions of MRC Sectors, identify similarity between comments, gain transparency into where each MRC Sector stands on specific issues, and identify ways to package MRC feedback to improve the ability for the NERC Board to consume the feedback. For example, MRC responses to the Board input letters could be supplemented with an MRC summary or prioritization of the submitted Sector comments.
- e. Challenges or Areas of Concern:** Consider an informal working session with NERC executives and MRC members to discuss challenges or areas of concern and things NERC could do to help address them.
- f. *NERC Strategic Focus Areas and Priorities:** Obtain better alignment on progress toward reliability priorities and understanding of direct linkages between work plan priorities and strategic focus areas. Where appropriate, provide input on NERC strategic focus areas and work plan priorities.

5. Meeting Logistics and Agenda Development

- a. *Agenda Planning:** Chair and vice chair to garner input more deliberately regarding meeting content and input letter topics.
- b. Secure Portal:** Provide a secure tool for collaboration and engagement of MRC members.
- c. *MRC Informational Sessions:** Evolve MRC informational sessions to include topics related to NERC governance and activities, along with previews of the agendas for the upcoming open Board and MRC meetings.
- d. Closed Meetings:** Continue annual closed session during the May meetings for strategy discussions with the MRC and Board.

Appendix A: Initial Recommendations

Below are the initial recommendations endorsed by the MRC in May 2023, mapped to the recommendations included in this document.

Table 1.1: Initial Recommendations	
Initial Recommendation	Mapping to Final Recommendations
Clarify MRC roles and responsibilities, ensuring alignment among the MRC, NERC Board, and NERC leadership	<i>See Recommendations 2, 3, and 4</i>
Garner input from MRC members regarding meeting content and input letter topics ahead of meetings	<i>See Recommendation 5a</i>
Create opportunities for increased interaction among MRC members and between MRC members, Board, and NERC leadership <ul style="list-style-type: none"> • Informal outreach to MRC members from MRC leadership • Informal networking opportunities for MRC members during in-person meeting weeks • Share MRC contact information with MRC members 	<i>See Recommendation 1a and 1c</i>
Evaluate MRC informational session and how that time can be used differently to be more valuable and help better prepare MRC members for quarterly meetings (e.g., use info session to provide more background and context for presentations that will be given at quarterly meetings, without duplicating presentations across meetings)	<i>See Recommendation 5c</i>
Improve onboarding of new members <ul style="list-style-type: none"> • Revamp new member orientation • Open annual new member orientation in February to all MRC members and conduct a refresh in August • Create an ambassador/mentor system for new MRC members 	<i>See Recommendations 1c and 1d</i>
Clarify expectations of MRC chair and vice chair (e.g., informal engagement with MRC members, roles on other groups or committees)	<i>See Recommendation 3b</i>
Obtain better alignment on progress toward reliability priorities through direct linkages between work plan priorities and strategic focus areas	<i>See Recommendation 4f</i>
Approach future MRC effectiveness reviews in a similar manner through interviews, rather than written surveys	<i>See Recommendation 1e</i>
Conduct annual review of MRC Governance Guidelines	<i>See Recommendation 2d</i>

Future Meetings

Action

Information

Summary

The following are the future meeting dates for 2024. The dates, locations, and/or platforms may be subject to change.

2024 Dates

April 15	Informational Session
May 8-9	Washington, DC (Hybrid Schedule*)
July 17	Informational Session
August 14-15	Vancouver, BC, Canada
October TBD	Virtual MRC Meeting
December 13	Virtual Board Meeting

*Hybrid schedule: MRC and Board Members will attend the MRC and Board Open meetings in-person, all other participants will attend virtually.

Update on Regulatory Matters (As of January 19, 2024)

Action

Information

FERC Orders Issued Since the Last Update

FERC orders are available on the NERC website [FERC Orders/Rules](#) page.

NERC Filings to FERC Since the Last Update

NERC filings to FERC are available on the NERC website [NERC Filings to FERC](#) page.

NERC Filings in Canadian Jurisdictions Since the Last Update

NERC filings to Canadian applicable governmental authorities are available on the NERC website's [Canadian Filings and Orders](#) page. This page also contains links to the websites of each authority, where orders, consultation records, and other records related to NERC matters may be found.

Processes for making standards enforceable and monitoring and enforcing compliance are specific to each jurisdiction in Canada. The Federal, Provincial, and Territorial Monitoring and Enforcement Sub-group (MESG) has developed provincial summaries of each province's electric reliability standard-making and enforcement functions with U.S. comparators. The [Canada](#) page of the NERC website contains these summaries and a link to the [Canadian MOUs](#) page.

Anticipated NERC Filings

Highlights of NERC filings that will be submitted to applicable governmental authorities in the U.S. and Canada appear below:

1. January 31, 2024 – NERC will submit a petition for approval of proposed Reliability Standard CIP-012-2.
Docket No. TBD
2. February 12, 2024 – NERC will submit a quarterly update on its Inverter-Based Resource (IBR) registration workplan.
Docket No. RD22-4-001
3. February 14, 2024 – Within 45 days of the end of each quarter, NERC must submit the unaudited report of the NERC budget-to-actual spending variances during the preceding quarter.
Docket No. FA11-21-000
4. February 15, 2024 – NERC will submit a quarterly filing in Nova Scotia of FERC-approved Reliability Standards.
5. February 15, 2024 – NERC will submit a petition for approval of the proposed Reliability Standard EOP-012-2.
Docket No. TBD
Pending Board approval

6. February 29, 2024 – NERC will submit a petition for Rules of Procedure updates revising the NERC Registry Criteria to include some IBRs.
Docket No. TBD
Pending Board approval
7. February 29, 2024 – NERC will submit a petition for a revised definition of Reporting Ace.
Docket No. TBD
Pending Board approval
8. March 15, 2024 – NERC will submit an update on the Project 2016-02 (Modifications to CIP Standards) schedule regarding the development of standards language addressing virtualization.
Docket No. RD20-2-000
9. March 21, 2024 – NERC will submit an annual report regarding cybersecurity incidents reported to NERC as required by Reliability Standard CIP-008-6.
Docket No. RM18-2-000
10. March 31, 2024 – NERC will submit the 2022 NERC Standards Report, Status, and Timetable for Addressing Regulatory Directives. This annual report is due on or before March 31 of each year.
Docket No. RR09-6-003