

Agenda

Member Representatives Committee Pre-Meeting Informational Session Conference Call and Webinar

October 10, 2019 | 11:00 a.m. – 12:30 p.m. Eastern

Dial-in: 1-888-394-8218 | Conference ID: 5193904

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Agenda Items

1. **Preliminary Agenda Topics for the November 2019 Board, Board Committees, and MRC Meetings***
2. **Overview of Policy Input Letter**
 - a. Reliability and Security Technical Committee Proposal*
3. **MRC Governance Guidelines***
4. **Electromagnetic Pulse (EMP) Task Force Strategic Recommendations Report 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.

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Member Representatives Committee (MRC)

Pre-Meeting and Informational Webinar
October 10, 2019

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- Review preliminary agenda topics for:
 - November 5 MRC meeting
 - October 31 - November 5 Board of Trustees and Board Committee (open) meetings
- Review policy input letter topics
- Receive updates on emerging and informational issues

Schedule of Quarterly NERC Meetings and Conference Calls

Conference Calls in Advance of Meetings	
October 31 11:00 a.m.-12:00 p.m. Eastern	Finance and Audit Committee Meeting— <u>Open</u>
October 31 12:00-12:30 p.m.	Board of Trustees Meeting— <u>Open</u>
October 31, 2:00-3:00 p.m. Eastern	Corporate Governance and Human Resources Committee Meeting— <u>Open</u>
November 1 11:00 a.m.-12:00 p.m. Eastern	Compliance Committee Meeting— <u>Open</u>
November 1 2:00 p.m. -3:00 p.m. Eastern	Technology and Security Committee Meeting— <u>Open</u>
Tuesday, November 5, 2019	
12:00–1:00 p.m. Room name:	Public Lunch
1:00–4:00 p.m. Room name:	Member Representatives Committee Meeting— <u>Open</u>
4:15-5:15 p.m. (for approval items and Board Committee Reports) Room name:	Board of Trustees Meeting — <u>Open</u>
5:30 p.m. Room name:	Reception

**Times are tentative and subject to change*

- Review Third Quarter Statement of Activities to Recommend to Board of Trustees for Acceptance
 - NERC Summary of Results as of September 30, 2019
 - Combined ERO Enterprise Summary of Results as of September 30, 2019
 - Regional Entity Variance Reports as of September 30, 2019
- Update on 2020 Business Plan and Budget Status
- Review 2021 Business Plan and Budget Schedule

- Approve NERC Bylaws Revisions

- Approve 2020 Board of Trustees Effectiveness Survey
- Review 2020 ERO Work Plan Priorities
- Human Resources and Staffing Update

- Update on 2020 Compliance Monitoring and Enforcement Program Implementation Plan
- Compliance Monitoring and Enforcement Program Quarterly Report Update

- ERO Enterprise IT Projects Update
- E-ISAC Update

- Elections and Nominations
 - Election of MRC Officers for 2020
 - MRC Sector Nominations and Elections Schedule
- Approve NERC Bylaws Revisions
- General Updates and Reports
 - Board of Trustees Nominating Committee Update
 - Business Plan and Budget Input Group Update
 - Regulatory Update
 - ERO Enterprise Effectiveness Survey Action Plan Update

- Policy and Discussion Items
 - Approve MRC Governance Guidelines
 - Responses to the Board's Request for Policy Input
 - Reliability and Security Technical Committee Proposal
 - Additional Policy Discussion of Key Items from Board Committee Meetings
 - MRC Input and Advice on Board Agenda Items and Accompanying Materials
 - ERO Enterprise Long-Term Strategy
- Technical Updates
 - Supply Chain Risk Assessment Data Request Analysis and Summary of NERC Alert Responses
 - ERCOT Summer 2019 Performance
 - Update on FERC Reliability Matters

- **Committee Membership and Charter Amendments**
 - Personnel Certification Governance Committee Membership
- **Report on November 5, 2019 Semiannual Meeting of NERC Trustees and Regional Entity Boards and Board of Trustees Closed Session**
- **Board Committee Reports**
 - Accept Third Quarter Statement of Activities
- **Standards Quarterly Report and Actions**
 - Approve 2020-2022 Reliability Standards Development Plan
 - Adopt BAL-003-2 Frequency Response and Frequency Bias Setting
 - Adopt PRC-006-NPCC-2 Automatic Underfrequency Load Shedding

- **Other Matters and Reports**

- Policy Input and Member Representatives Committee Meeting
- Accept RISC 2019 ERO Priorities Report
- Accept EMP Task Force Report
- Approve Reliability and Security Technical Committee Charter, Chair and Vice Chair Appointments
- Approve SERC Bylaws Amendments
- Approve ReliabilityFirst Bylaws Amendments
- 2019 and 2020 ERO Enterprise Dashboard Update
- RC Function in the Western Interconnection Update

- Overview of Policy Input Letter
 - Reliability and Security Technical Committee Proposal
- MRC Governance Guidelines
- EMP Task Force Strategic Recommendations Report Update

- **October 2:** Policy input letter issued
- **October 22:** Written comments due on policy input topics and preliminary agenda topics
- **October 23:** Board and MRC agenda packages and policy input letter comments posted
- **October 30:** Board and MRC presentations posted



Questions and Answers

Reliability and Security Technical Committee Proposal

Summary

The Stakeholder Engagement Team (SET) recommends creation of a Reliability and Security Technical Committee (RSTC). This option creates a new formal oversight committee that combines the experience of the technical committees (Operating, Planning, and Critical Infrastructure Protection Committees). The newly created RSTC will direct and oversee the output of the existing subcommittees, working groups, and task forces, and report to the NERC Board of Trustees (Board). Further, it eliminates addressing risks in a “silo” approach for issues that overlap and handled in a piece-meal fashion in the current technical committee model and increases the effectiveness by addressing duplication and/or gaps in the current subcommittee structure. During the transition to this new structure, the existing subcommittees, working groups, and task forces will continue their work until the RSTC has an opportunity to complete its analysis of all ongoing activities and priorities.

There are several potential effectiveness and efficiency benefits from the recommended model. For example, the RSTC supports the Board by providing:

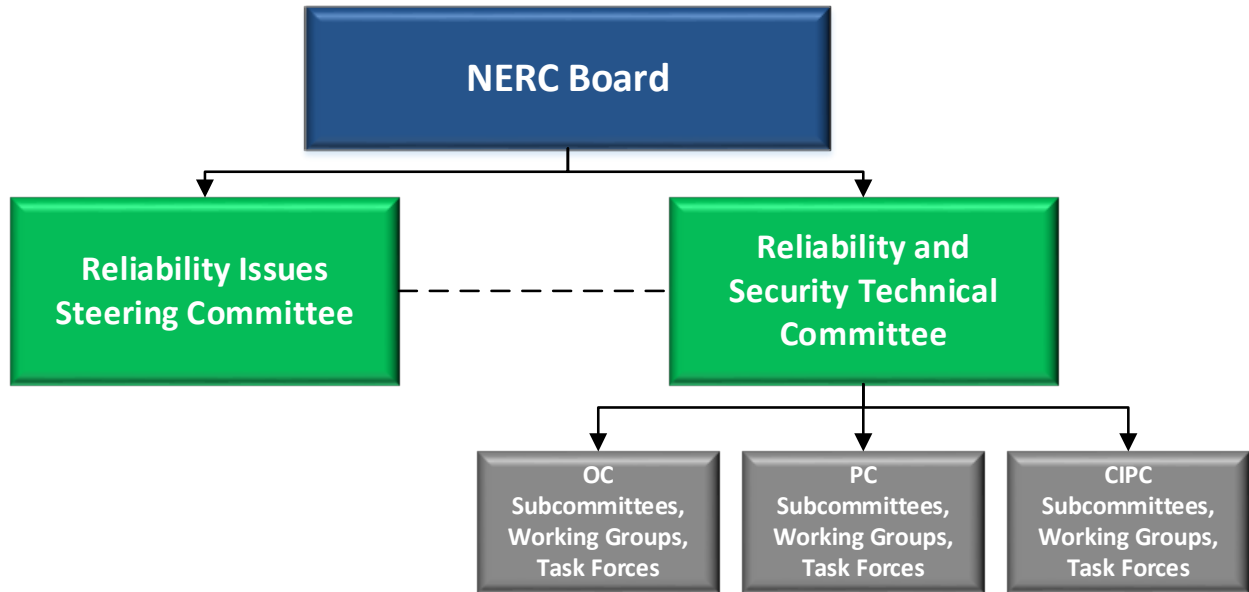
1. End-to-end approaches for technical solutions to mitigate existing and emerging risks to reliability
2. A single point of contact (rather than the three existing points of contact) between the technical committees and the Board. This leads to better communication between the technical work of the RSTC and the Member Representatives Committee (MRC) as well as the Board
3. Efficiencies from streamlining the operation of the three technical committees into one Council.

The resulting model supports the ERO and NERC Board with two leadership bodies and provides functional alignment between the risk priorities and mitigation activities and the technical work to address those risks:

1. Advising on emerging risks, prioritizing them and identifying impactful mitigation activities (RISC)
2. Overseeing the implementation of those tactical prioritizations through work plans, as well as advising on the reliability and security of the bulk power system through reliability assessments and performance analysis to identify and address any unexpected new and emerging risks (RSTC).

The RSTC will be a technical council that, in conjunction with NERC management, initiates and oversees the development of technical assessments and analysis that 1) support the analytical assessment function of the ERO; and 2) provide products that can be used by industry to mitigate risks to the bulk power system.

The graphic below provides the relationship among RISC, RSTC, and the NERC Board:



Recommended Participation Model

RSTC membership will be a hybrid model composed of sector representatives, At Large representatives, and non-voting members. Sector representation will be two members each for Sectors 1 – 10 and 12. Overall selection of members will consider RE area and Interconnection diversity, subject matter expertise (Planning, Operating, or Security) organizational type (Cooperatives, Investor-Owned Utilities, Public Power, Power Marketing Agencies, etc.) and country (Canada, Mexico, and U.S.). At Large representation will be used to ensure a complete overall balanced representation and expertise in the RSTC.

Summary of the SET’s Proposed Membership Model	
Name	Voting Members
Sectors 1 - 10 and 12	22
At Large	10
Chair and Vice Chair	2
Total	34

Additional Non-Voting Members ¹	
Non-Voting Member	Number of Members
NERC Secretary	1
United States Federal Government	2
Canadian Federal Government	1
Provincial Government	1
Total	5

¹ Mexican Government representation considered once they have joined NERC.

Membership Qualifications

The RSTC Charter will set forth that individuals qualified to serve on the RSTC will include senior management and technical level (e.g., Manager, Director, Vice President, Principal, Lead Engineer) industry experts who have familiarity, knowledge, and experience in Planning, Operating, and/or Security. In addition, the RSTC members are expected to have an understanding of Project Management culture and methods for delivering work products within scope, schedule, cost, and quality. The RSTC members will collaborate to provide oversight of multi-disciplinary and cross-organizational initiatives to ensure that the work products achieve the ERO's and RISC's strategic objectives, enhance NERC's critical functions, and collectively address planning, operating and security objectives. The RSTC will primarily oversee development and implementation of risk mitigating technical solutions through the work of the subcommittees, working groups, and task forces.

Selection of Chair and Vice Chair

The Board requested that the SET provide a slate of officer nominees for the RSTC to be presented at the November 5, 2019 Board meeting. The SET formed a nominating committee consisting of SET leadership and two Board members. A nomination period for the officer positions was opened on September 9 and closed September 23, 2019. The nominating committee considered the nominees and will propose Chair and Vice Chair nominee. This will be presented to the full SET at the September 30, 2019 meeting for concurrence. The nominees for Chair and Vice Chair will then be presented to the Board for consideration in November along with the proposed committee.

Membership Selection (Initial Seating)

Nominations for initial terms for Sector representatives will be called for by NERC after Board approval in November, 2019. The Sector nomination period will be November 6-December 6, 2019 and two members for each sector will be sought. The sector representation process will follow the current OC and PC election process. If no more than two nominations are received for a particular sector, the two nominees will be deemed to have been elected for those positions. In the event that there are more than two nominees in any sector, there will be a Sector election process to determine the two representatives for that Sector. Any unfilled Sector positions on the initial seating will convert to At Large seats to be filled through the Nominating Subcommittee (see below).

A nomination period for At Large nominees will occur after the Sector nomination period. This will be conducted December 9, 2019-January 3, 2020. Initial Seating of At Large representatives will be selected (for approval by the Board) by a Nominating Subcommittee consisting of the NERC Board Vice Chair, NERC Chief Executive Officer, MRC Vice Chair, and the RSTC's Chair and Vice Chair. Representatives will be selected based on the qualifications established in Membership and Membership Qualifications sections above. The qualifications and skills of the Sector representatives will be reviewed and At Large representatives will be selected to ensure broad skills, knowledge and geographic diversity within the RSTC. In addition to sector seat diversity, membership on the RSTC will consider the following criteria in the selection of At Large representatives:

- Geographic and International (Canadian/Mexican) diversity, including a goal of having representatives based in each RE's area and each Interconnection.
- Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity; and,

- Subject matter expertise in Operations, Planning, and/or Security including a reasonable balance of expertise among these three areas.

The SET did not include the existing Sector 11 (Regional Entity) representation in the proposed model which reflects the maturation of the ERO enterprise and coordination within and between REs.

To ensure adequate Canadian representation, the membership to the committee may be increased so that the number of Canadian voting members is equal to the percentage of the net energy for load (NEL) of Canada to the total NEL of the United States and Canada, times the total number of voting members on the committee, rounded to the next whole number.

Membership Selection (On-Going Seating)

The RSTC must present all new members for approval by the NERC Board at its annual February meeting.

Nominations for sector members (Sectors 1-10 and 12) will be called for annually under a process that is open, inclusive, and fair, similar to the annual nomination process of the existing OC and PC. Sector and At Large nominees may not represent more than one RSTC sector at any one time and no single organization, including its affiliates, may have more than one member on the RSTC. RE employees are not eligible to be At Large representatives.

The SET did not include the existing Sector 11 (Regional Entity) representation in the proposed model which reflects the maturation of the ERO enterprise and coordination within and between REs.

To ensure adequate Canadian representation, the membership to the committee may be increased so that the number of Canadian voting members is equal to the percentage of the net energy for load (NEL) of Canada to the total NEL of the United States and Canada, times the total number of voting members on the committee, rounded to the next whole number.

The Nominating Subcommittee (NS),² which is appointed by the RSTC every two years, is responsible for the selection of At-Large representatives.

The NS will identify (using an open nomination period), qualify, and recommend individuals to fill At Large representative vacancies on the committee or to serve as the chair or vice chair of the committee. Individuals recommended by the NS for appointment to the committee must be approved by the Board. Representatives will be selected based on the qualifications established in Membership and Membership Qualifications sections above. In addition to sector seat diversity, membership on the RSTC will consider the following criteria in the selection of At Large representatives:

- Geographic and International (Canadian/Mexican) diversity, including a goal of having representatives based in each RE's area and each Interconnection.
- Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity; and,

² The on-going RSTC Nominating Subcommittee will be appointed from the RSTC membership. The detailed information is contained in the proposed RSTC Charter.

- Subject matter expertise in Operations, Planning, and/or Security including a reasonable balance of expertise among these three areas.

See Appendix C for sector and At Large definitions and descriptions.

Sectors will hold elections to fill expiring vacant sector positions. Vacant At Large positions will be selected by the NS.

Interim sector vacancies will be filled through a special election through an open nomination process and will remain vacant if not filled. Interim At Large vacancies will be filled by the NS through an open nomination process and will remain vacant if not filled.

Reliability and Security Technical Committee Transition Plan

The SET developed an implementation plan to facilitate the transition from the existing committee structure to the RSTC. The NERC Board has requested that the SET provide a recommendation for the initial Chair and Vice Chair to serve two-year terms. To that end, NERC opened a nomination period from September 9-23, 2019 for the officer positions, contingent on Board approval of the proposal. The SET reviewed the nominations and selected a slate for recommendation to the Board for appointment at the November 5, 2019 Board meeting. The transition plan is shown below:

- September 30, 2019 (8:00 – 5:00) – SET meeting in Chicago; recommended slate for Chair and Vice Chair and finalized charter.
- October 10, 2019 – MRC informational Session
- October 18, 2019 – Industry Webinar (11:00 am – 12:00 pm)
- November 5, 2019 – Board considers Proposal, Charter, and Transition Plan; if approved, appoints Chair and Vice Chair.
- November 6, 2019 – Open Sector nomination period
- December 6, 2019 – Sector nomination period ends. NERC staff will conduct Sector elections, if necessary, by December 20, 2019.
- December 9, 2019–January 3, 2020 – Open At Large nomination period. NERC Staff/SET analyzes Sector reps for gaps to be filled by At Large members.
- January 6-15, 2020 – Nominating Subcommittee to develop slate of At Large nominees for presentation to the Board.
- February 6, 2020 – Board appoints RSTC members (Sector and At Large). Terms will expire in June of alternating years following the initial terms with the initial term being two or three years, and thereafter 2 year terms. RSTC members will be notified of their appointment by the Board.
- February 7–May 29, 2020 – RSTC develops transition plan and work plans for RSTC and subcommittees. Coordinate with committee and subcommittee leadership to ensure work plans are in place and on schedule.
- March 3-4, 2020 – Hold OC, PC, and CIPC meetings as scheduled. RSTC members will be encouraged to attend one or more sessions and will meet on March 4, 2020 for the inaugural RSTC meeting to establish the Nominating Subcommittee, Executive

Committee, and perform other administrative items. RSTC will be operational to ensure smooth transition.

- June, 2020 – OC, PC, and CIPC will meet for final work plan approvals and to complete any other approvals. These committees will be disbanded after this session. RSTC will hold initial regular meeting with subcommittee reports and other agenda items.

Attachments

1. Reliability and Security Technical Committee Proposal, October 2019
2. Reliability and Security Technical Committee Charter

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Reliability and Security Technical Committee Proposal

October 2019

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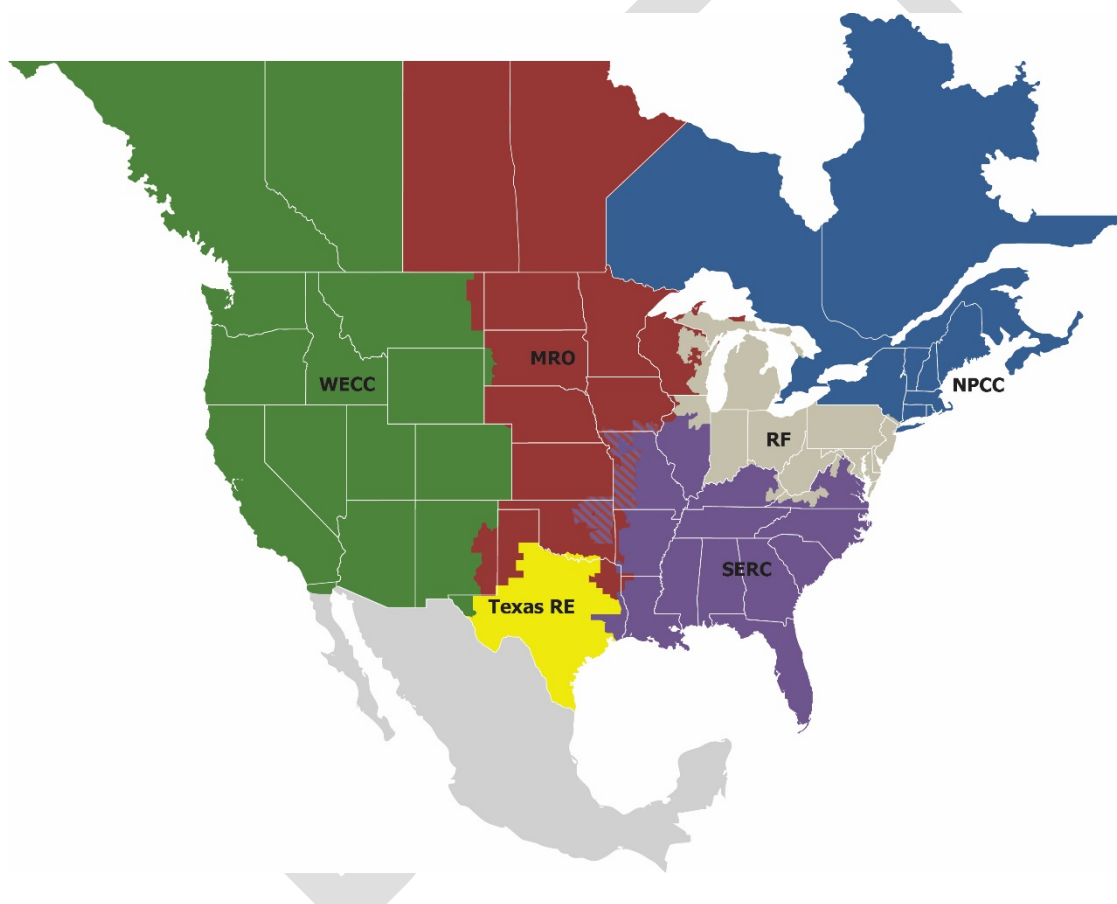
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Overview

NERC is presently undertaking a comprehensive assessment of its activities that is intended to improve the operational effectiveness of the ERO Enterprise while optimizing the value of industry stakeholder participation. The issue of improving the effectiveness and efficiency of stakeholder engagement across the ERO Enterprise was specifically raised by NERC Chair Roy Thilly in a January 4, 2018 Policy Input Letter to the Member Representatives Committee (MRC). In response to industry feedback that was received, the NERC Board of Trustees (Board) called for a comprehensive review of the existing technical committee structure and actions that could be taken to improve the effectiveness and efficiency of those committees.

As a result of that request, a stakeholder engagement team (SET) was formed to review the existing NERC technical committee structure and develop a recommendation. The SET was tasked by the Board and is comprised of members of the Board, leadership and representatives from the MRC, the chairs of the technical committees (Operating, Planning, and Critical Infrastructure Protection), other stakeholder volunteers, and NERC senior leadership, legal, and staff.

The SET considered multiple options for fulfilling the ERO Enterprise need for participatory technical input on matters of reliability and security of the North American BPS, including maintaining the existing committee structure. The SET determined that a new Reliability and Security Technical Committee (RSTC) to replace the three existing technical committees would best meet the vision for effective and efficient technical input. The sections below discuss the background, process, and vision that guided the SET's work and recommendation. The recommendation will be provided to the Board for possible approval at its November 2019 meeting.

Background

The [ERO Enterprise Long-Term Strategy](#) and [ERO Enterprise Operating Plan](#), approved by the Board on November 9, 2017, recognize the importance of achieving greater enterprise-wide effectiveness and efficiency. Over the course of 2018, NERC and the REs identified current and ongoing efforts related to effectiveness and efficiency and explored future initiatives. The following objectives guided NERC and the REs in this effort:

1. Enhance ERO effectiveness in executing its statutory functions, recognizing the value of industry expertise.
2. Improve the efficiency of ERO operations and the use of stakeholder resources.

The SET was formed to carry out the objectives as related to stakeholder engagement through the technical committees. The SET was co-chaired by the vice chair of the MRC and NERC's Chief Engineer. A complete list of the SET membership and participants is in Appendix A.

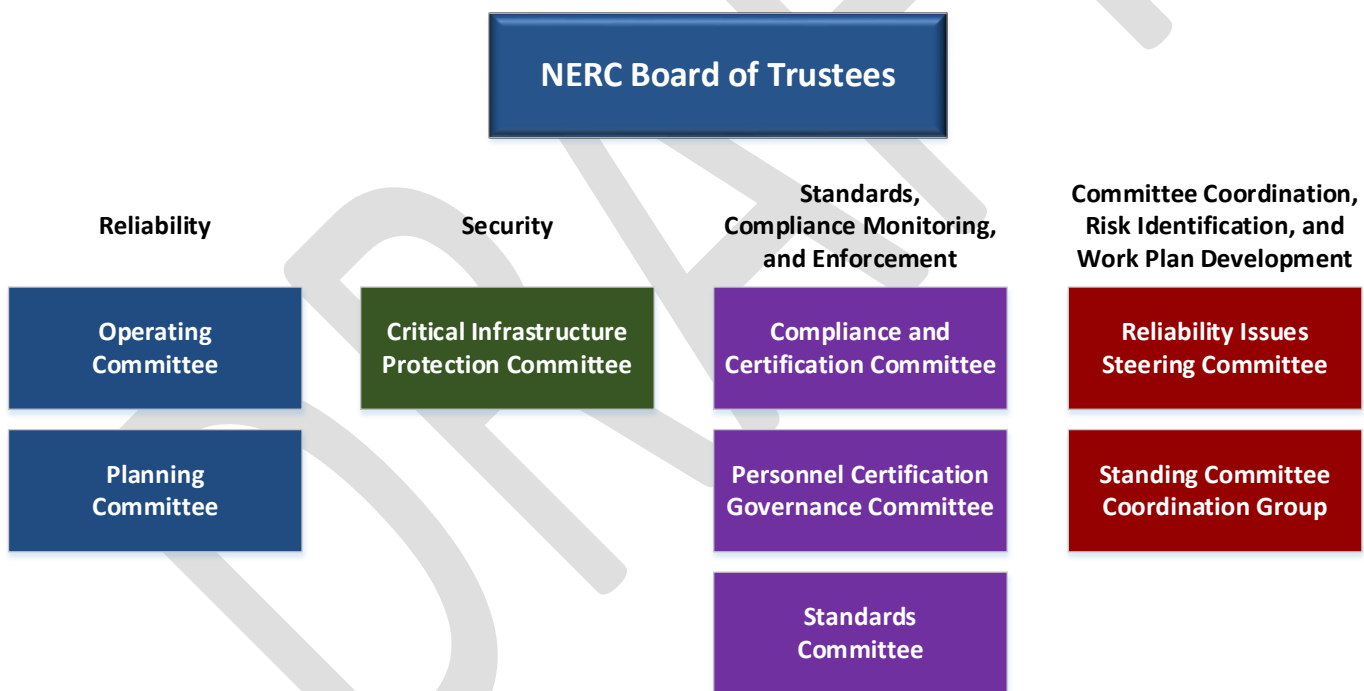
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Chapter 1: Stakeholder Engagement Team Recommendation Development Process

The SET performed four steps in its review and leveraged NERC’s Strategic Plan, Operating Plan, and RISC Report to facilitate the evaluation process: 1) examined all RE experiences with committee restructuring; 2) verified the parameters surrounding governance of the identified technical committees, as outlined in the NERC Rules of Procedure and Bylaws, Federal Power Act, and federal regulations; 3) reviewed common responsibilities, work flow, and current levels of coordination across the identified technical committees based on their work plans and deliverables; and 4) surveyed current committee members for their input about existing committee structures and potential replacement structures. The SET then reviewed potential options for organizational structure and developed recommendations for next steps.

Overview of Existing Committee Structures

The ERO Enterprise makes use of technical input, guidance, and reliability/security leadership provided by its standing committees: Planning (PC), Operating (OC), Compliance and Certification (CCC), Standards (SC), Critical Infrastructure Protection (CIPC), Reliability Issues Steering (RISC), and Personnel Certification Governance (PCGC) Committees. The diagram below shows the current structure of all the standing committees and their general area of focus:



Under the current NERC committee structure, the OC, PC, CIPC, CCC, SC, PCGC, and the RISC report to the Board. Except for the RISC, each has an executive committee that supports the committee between meetings, as well as guides and coordinates the subcommittee, working group, and task force workload and priorities. To further coordinate issues that may be cross-cutting, the chairs and vice-chairs (who sit on the executive committees) of all NERC standing committees meet on a quarterly basis, concurrent with the Board and MRC meetings. This group of chairs and vice chairs is called the Standing Committee Coordination Group (SCCG).¹ The SCCG itself does not have a

¹ The SCCG also includes leadership teams from the SC, CCC, RISC, and the PCGC. The SCCG members work to improve coordination between the technical committees and help develop work plan items to address reliability issues

charter or a mandate and, therefore, holds no authority to further direct the activities of the standing committees. NERC staff facilitate the meetings and discussions of the SCCG.

Separately, the RISC provides advice to the Board, triages risks, and provides front-end, high-level leadership for issues of strategic importance to the reliability and security of the BPS.

Scope of SET Review

To examine enhancements that could improve the use of scarce industry resources, the SET was tasked with reviewing the OC, PC, and CIPC structures and activities given their technical focus on reliability and security of the BPS. These technical committees identify and assess risk to the operation, planning, and security of the BPS. Most of the technical work of the committees is performed at the subcommittee, working group, or task force level. The technical committees provide direction and oversight of these groups. Some activities of the technical committees are ongoing and provide annual/biennial deliverables while other activities appear to be less focused and fragmented. Recently, more task force creation has occurred to address emerging, fast impacting issues.

The advisory committees (CCC, SC, and PCGC) are not part of this review as each advisory committee is quite distinct with no overlap of responsibilities as specifically noted in NERC's Rules of Procedure. These committees have been self-regulating over time to improve effectiveness and efficiency.

Further, the RISC was also not a part of this review as it has a unique charge and participation model. It produces a biennial report on key risk identification and mitigation. The RISC is chartered to triage risk mitigation approaches.

Stakeholder Engagement Team Review

Based on its review, the SET concluded the following regarding the existing OC/PC/CIPC structure:

- The current model has been in place with little change for over 10 years
 - Model requires significant expense and time commitment from NERC members, NERC staff, and industry stakeholders
 - The ERO Enterprise has matured
 - Several REs have had success enhancing their committee models
- The industry model is changing
 - Advances in new and unfamiliar technologies (e.g., inverters, batteries) are impacting the traditional power grid
 - Risk profiles are changing (e.g., fuel assurance, essential reliability services preservation with resource mix changes)
 - Recent experience within the committees is to stand up task forces for end-to-end solutions, bypassing existing subgroups
- The committee "silos" are blurring
 - Speed of change is accelerating
 - Committee activities increasingly overlap
 - New technology requires cross-cutting rethinking of many utility paradigms (e.g. – inverter-based resources including wind, solar and storage)

The technical committees must play a vital role in order for the ERO Enterprise to be successful in its mission of reducing risk to the BPS. Based on current operations, the technical committees provide oversight, work plan coordination, and technical review of the results and work products developed by working groups of subject matter experts. The SET recognizes the importance of the collaboration, training and education that occurs between participants and attendees of the technical committee meetings. Lessons learned, information sharing by the U.S. Department of Energy (DOE) National Labs, technical reports, security briefings, cyber reports, training, etc. will continue to be provided.

Enhancing stakeholder engagement through the three technical committees should:

- Strengthen alignment of stakeholder input with ERO Enterprise priorities
- Accommodate the changing industry model
- Focus on reliability and security risks from a strategic planning, operating and security perspective
- Effectively address the increasing overlap between the technical committees
- Leverage subject matter expertise more cost-effectively
- Effectively use NERC staff

Chapter 2: Vision for a Restructured Technical Committee Organization

The SET agreed on a vision for enhancing stakeholder engagement through technical committees as outlined below:

- We pivot quickly and refocus resources rapidly
 - We are in an ever-changing world and the pace of change is accelerating
 - Agile teams need to be readily deployed to address emerging issues
- We bring multi-disciplined teams together to develop “complete” solutions
 - Complex issues facing the industry that don’t fit into one basket
 - Ensure appropriate mix of knowledge/skills/abilities (participation model): Planning, Operations, Security, Compliance/Policy, and Legal
- We work collaboratively and efficiently to solve problems
 - Eliminate silos and redundancies
 - Committees need the ability to support standards and compliance
 - Ability to address projected and emerging risks that threaten the reliability of the bulk power system
 - Standards or guidelines may be needed
 - Additional tools (potentially new) may be needed
- We leverage scarce talent to solve problems and maximize our return

Chapter 3: Options for Technical Committee Restructuring

The SET reviewed all activities of the three technical committees. A few conclusions became apparent in this review:

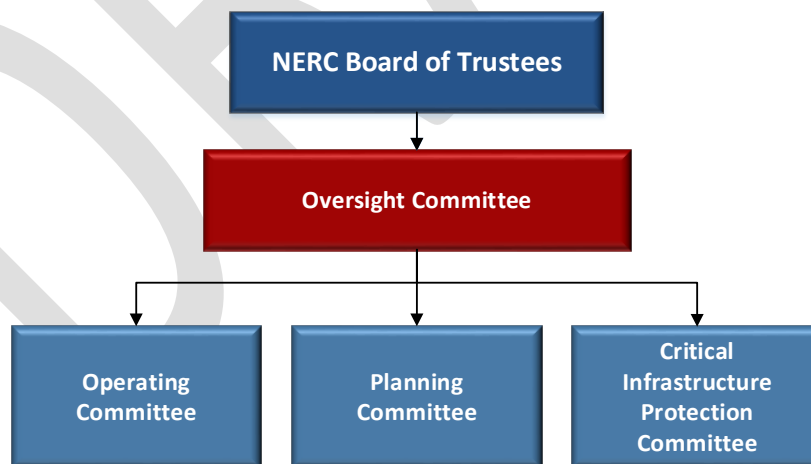
1. Technical committee participation is generally based on Sectors (OC/PC) or Regional nomination (CIPC). As more focused technical expertise is usually required to develop detailed solutions, most of the work is now performed at the subcommittee, working group, and task force level – not at the committee level.
2. By-and-large, technical committee activities focused on work plan development, evaluation and execution by the subgroups that report to them.
 - a. Subgroup report-outs are occurring on a quarterly basis.
 - b. The technical committee work plans are not formally coordinated.
3. Most problem solving is occurring at the subcommittee, working group, and task force level. Some subcommittees have ongoing recurring deliverables while others are more ad hoc task oriented.
4. Some reliability and security risk issues are being addressed by multiple subcommittees, leading to uncoordinated results, and less end-to-end solutions.

The SET also recognizes the importance of the collaboration, training and education that occurs during the technical committee meetings. Examples of such activities include presentations by National Laboratories, Lessons Learned, Security briefings, etc. These activities must continue in the future in some format.

Issue statement: The SET identified the need to ensure work plans are coordinated, and an opportunity for more end-to-end solution development to address reliability/security risks. Several options were reviewed.

Option 1: Create an Oversight Committee

Retain the current committee structure and create an Oversight Committee. The Oversight Committee could either be a newly created body or a redesign of the existing SCCG or RISC.



The following are the alternatives considered for the formation of the Oversight Committee to address the issue statement above:

Alternative 1a²: Create a new Oversight Committee for NERC Technical Committees, Charter the SCCG and assign responsibilities

Charter the SCCG to perform the assigned responsibilities with associated reporting and accountability for tasks. Institute SCCG reporting to the Board. Subcommittees can be attached (as in Option 2 of the Committee Structure below) for those groups that provide periodic reliability/security reports. For example, a Project Management Oversight Committee focused on project development, end-to-end solutions, and reduction of duplication. If selected, this option would be implemented by assigning to the SCCG the responsibility for developing a charter and organizational structure for approval.

Recommendation for Option 1: The SET believes that Alternative 1a provides the best baseline for comparison of alternatives considered in the effectiveness and efficiency review. The SCCG is currently an informal group that is designed to perform many of the tasks envisioned to be performed by the Oversight Committee and its membership contains the necessary technical and leadership skills to transition to a formal organization reporting to the Board. The SET also considered alternatives 1b and 1c (shown in footnote 2) but the SET does not believe them to be the best choices for creating an Oversight Committee because of the desire to have the Oversight Committee report to the Board. The SET recommends including RISC representation/leadership on the Oversight Committee.

Oversight Committee Participation Model

An oversight structure is needed to ensure the output of NERC RISC (risk reliability reports, risk parameters, data analysis, reliability assessments, etc.) is addressed as well as direct and coordinate potential mitigations and actions required of the NERC technical committees.

If Alternative 1a is the preferred proposed structure, the oversight committee should ensure that:

1. Risks are identified, prioritized and managed
2. Assignments are coordinated and not duplicated
3. The technical committees (OC, PC, and CIPC) are directed to successful execution of the duties
4. Tools (guidelines, guidance, standards, etc.) employed in response to risks are appropriate

There are a number of options for creating the Oversight Committee. Regardless of the selected organizational structure, assumptions have been made regarding the oversight committee:

- Decisions should consider the technical committee structure
- Coordinates all NERC technical committees
- Assumes participation by NERC technical committees (regardless of number)
- Eliminate or avoid duplication of effort or potential gaps in solutions
- RISC Reliability Report (priorities and profiles) used to easily identify and coordinate efforts in support of reliability and security
- Support moving quickly and refocusing resources rapidly
- Brings multi-disciplined teams together to develop “complete” solutions
- Leverage scarce talent to solve problems and maximize returns
- Work collaboratively to solve problems

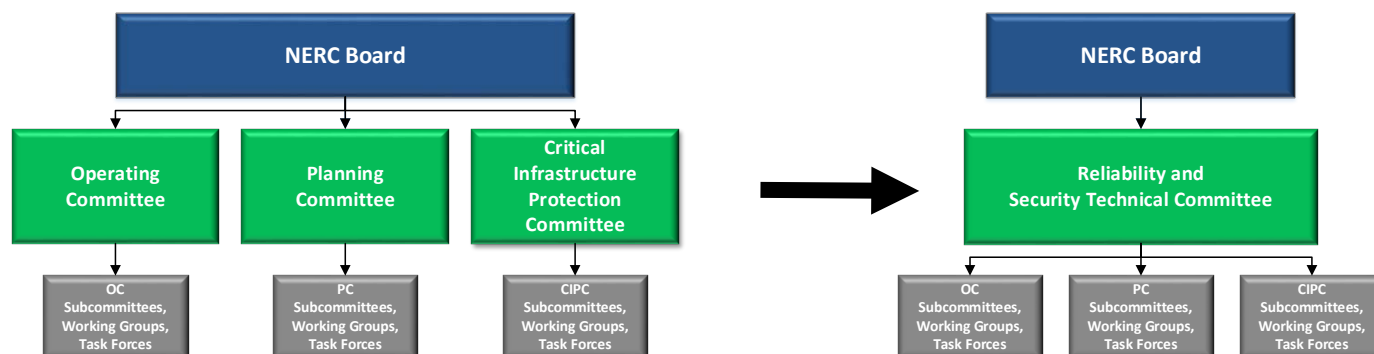
² The SET analyzed three alternatives for the creation of an Oversight Committee and recommends Alternative 1a. The other alternatives considered were Alternative 1b: Charter the SCCG with organizational reporting to RISC and Alternative 1c: Delegate functions to RISC. Alternative 1a was selected because it provided the best baseline to compare alternative structures, and is in-line with the current structure providing the lowest potential impact on the existing organization.

Oversight Committee Implementation plan

This option would be the simplest and quickest option to implement. It would require formalizing the SCCG charter and gaining Board approval. Participation models for the committees would not change. However, the option doesn't address all of the elements of the envisaged end-point. It does however provide a base-line to which a comparison can be made to other recommended approaches.

Option 2³: Replace Technical Committees with a Reliability and Security Technical Committee, and retain existing subcommittee structure

Replace the OC, PC, and CIPC with a single, new RSTC, which reports to the Board, overseeing the work of the subcommittees, working groups, and task forces. The existing subcommittees, working groups, and task forces reporting to the CIPC, OC, and PC will be evaluated for work scope and recurring deliverables. It is envisioned that those subcommittees and working groups with recurring deliverables will be retained, while those without recurring deliverables will be further evaluated for synergies and streamlining of stakeholder activities. Task forces will be deployed with clear deliverables and a timeline for completing those deliverables.



Reliability and Security Technical Committee Participation Model Options

The ERO has three general types of participation models in its committees, highlighted below (See Appendix B for more details):

- OC/PC – Sector-based model with 2 members from each of the 12 Sectors plus a chair and vice chair. Also have provisions for Canadian representation.
- CIPC – Regional-based model with three representatives from each Region with expertise in physical security, cyber security, and operations with provisions for Canadian representation as well as certain industry groups.
- RISC – Pool of experts selected based on skills and knowledge criteria
 - Geographic and International diversity
 - Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity;
 - High-level understanding and perspective on reliability risks; and
 - Balanced consideration of these criteria, across the entire membership of the RISC.

³ The SET reviewed several options for restructuring the technical committees. The two most viable options include Alternative 1: creating a Reliability Committee with Operating and Planning expertise while CIPC remains as it exists; and Alternative 2 Transform CIPC, OC and PC into a Reliability and Security Technical Committee with subcommittees and a “roster” of technical experts that can be used to establish “problem specific” task forces. This second option was selected by the SET as it encourages the consideration of all aspects of risks to reliability when designing and operating the bulk power system, during normal and emergency conditions, either natural or man-made. This would result in coordinated management of resources for addressing the various aspects of threats to the reliable operation of the bulk power system.

Chapter 4: Compare and Contrast Options 1 and 2

Option 1: Establish an Oversight Committee

The existing NERC technical committee's structure remains unchanged with this option. Option 1 does create formal oversight of the activities of the OC, PC, and CIPC by the SCCG, chartered as the Oversight Committee. The Oversight Committee will be responsible for coordinating development and approving the work plans of the technical committees to assure that there is no redundancy in committee activities. The Oversight Committee, in consultation with NERC management team, will determine when there is a need to form task forces (project teams) to resolve a specific grid reliability issue. To implement Option 1, a charter must be developed for the Oversight Committee that will include membership, responsibilities, deliverables and reporting requirements to the Board.

Option 2: Establish Reliability and Security Technical Committee

This option creates a new formal oversight that combines the experience of all three committees into one. The newly created RSTC will oversee the output of the subcommittees, working groups, and task forces, and report to the Board. Depending on the participation model chosen for the RSTC, this model provides less "silo" impact for issues that overlap in the current model as well as increasing effectiveness by addressing duplication and/or gaps in the current subcommittee structure. During the transition to this new structure, the existing subcommittees, working groups, and task forces will remain until the RSTC has an opportunity to complete its analysis of all ongoing activities and priorities.

Potential Effectiveness and Efficiency Benefits

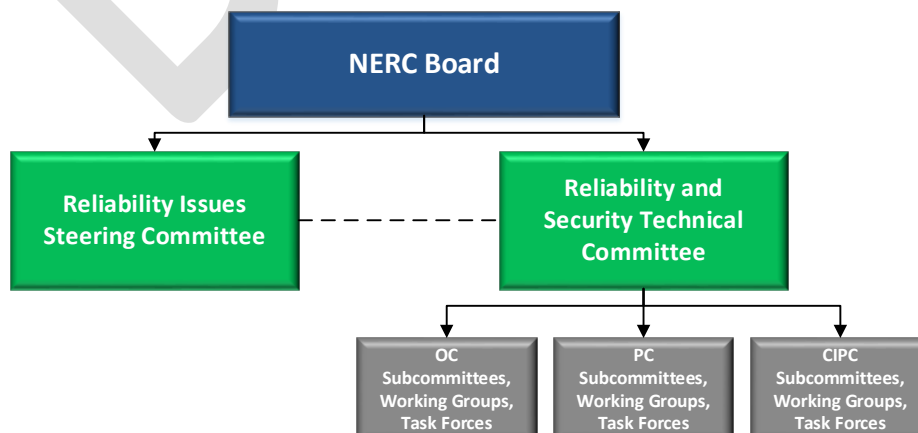
There are several potential effectiveness and efficiency benefits from Option 2, compared to both the status quo and Option 1. For example, Option 2 provides:

Better functional alignment with the RISC

The RISC is made up of industry advisors that provide leadership/advice on strategic forward-looking risks, prioritize the risks and provide recommendations for risk mitigation. The RISC provides its assessment in a report to the NERC Board every second year. The RISC report is used, among other things, to inform the ERO strategic plan and the annual Business Plan and Budget.

The main RISC-related function as it relates to the RSTC will be, in conjunction with NERC management, to initiate and oversee the development of technical analyses and products to better understand and mitigate the priority risks identified in the RISC report, monitor the effectiveness of mitigation activities, and identify emerging risks from measuring system performance.

The graphic below shows the relationship between the RISC, RSTC, and the Board:



The resulting model supports the ERO and Board with two leadership bodies:

1. RISC: Advising on emerging risks, prioritizing them and identifying impactful mitigation activities.
2. RSTC: Overseeing the implementation of those tactical prioritizations through work plans, similar to a project management office, as well as advising on the reliability and security of the BPS through reliability assessments and performance analysis to identify and address any unexpected new and emerging risks.

Below provides further granularity on the roles of RISC and the proposed RSTC.

Reliability Issues Steering Committee Charter

Purpose

The Reliability Issues Steering Committee (RISC or Committee) is a committee that triages and provides front-end, high-level leadership for issues of strategic importance to BPS reliability and security and offers high-level stakeholder leadership engagement and input on issues that impact BPS reliability.

RISC advises the Board, NERC standing committees, NERC staff, regulators, Regional Entities, and industry stakeholders to establish a common understanding of the scope, priority, and goals for the development of solutions to address these issues, including the use of solutions other than the development of new or revised Reliability Standards. In doing so, the RISC provides a framework for steering, developing, formalizing, and organizing recommendations to help NERC and the industry effectively focus their resources on the critical issues needed to best improve the reliability and security of the BPS.

Reporting

The RISC reports to the Board.

Functions

The RISC performs two primary functions for the Board.

1. The first function of the RISC is to evaluate emerging BPS reliability issues and risks. The RISC provides strategic leadership and advice to the Board and others to triage key reliability risks and propose solutions to manage those risks.
2. Second, the RISC provides a biennial analysis of risks to the BPS and produces a relative prioritization of the risks and mitigation activities. The prioritization is designed to advise:
 - a. Annual ERO action planning, resource allocation, budgeting and strategic planning processes; and
 - b. Standing committee planning, including the development of the Reliability Standards Development Plan.

In addition, the RISC performs such other functions that may, from time to time, be delegated or assigned by the Board.

Reliability and Security Technical Committee

Purpose

Similar to the RISC, RSTC will be an advisory committee that, in conjunction with NERC management, initiates and oversees the development of technical assessments and analysis that i) support the analytical assessment function of the ERO; and ii) develop and provide products that can be used by industry to mitigate risks to the BPS.

Reporting

The RSTC will report to the Board.

Functions

To provide technical advice, project management, and subject matter expertise support to each of the NERC program areas, and to serve as a forum to integrate the outputs of each ERO program area, including:

1. **Reliability Assessments** – Review reliability assessments, assure technical accuracy and completeness of results, and endorse approval of assessments to NERC’s Board.
2. **Cyber and Physical Security** – Review and assess the horizon for emerging cyber and physical risks. Develop mitigations, including guidelines, Alerts, webinars, whitepapers and standard enhancements.
3. **Emerging Issues and Reliability Concerns** – Identify emerging issues within the electric industry, address issues in reliability and security assessments, and address other issues as assigned by the Board.
4. **Operational Analyses** – Develop operational analyses, model validation, and key reliability areas, resulting in technically accurate and comprehensive reports addressing these areas (i.e., frequency response, intermittent generation, cyber and physical security, distributed energy resources (DER), etc.). Provide recommendations that facilitate addressing the reliability and security risks identified. Provide oversight, guidance, and direction to address key planning related issues.
5. **Standards Input** – Provide technical expertise and feedback to Standard Authorization Requests (SARs) that have reliability- or security-related impacts, provide foundational technical efforts that support the key reliability operational, planning and security related standards development, coordinate effectively with the Standards Committee to maintain alignment on priorities, develop and vet planning, operational and security guidelines that align with approved standards with industry stakeholders, and provide reliability risk information for prioritization of SARs and new or enhanced Reliability Standards.
6. **Metrics** – Provide direction, technical oversight, and feedback on the NERC Adequate Level of Reliability (ALR) metrics. Pioneer development of security metrics
7. **Event Analysis** – Review all event reports to determine lessons learned and good industry practices and promote the dissemination of information to the industry to enhance reliability.
8. **NERC Alerts** – Participate in the review and development of requests for industry actions and informational responses.
9. **Reliability and Security Guidelines, Technical Reports, White Papers, Implementation Guidance, and other reference documents** – Develop reliability guidelines, white papers, technical reports and reference documents to address emerging issues and industry concerns related to system operations.
10. **System Operator Training** – Provide necessary support and guidance to facilitate System Operator training.⁴
11. **Additional Activities and Outreach** – Opportunities to share lessons learned, information sharing by U.S. DOE National Labs, technical reports, security briefings, cyber reports and training, etc. will be broadened so more stakeholders can participate.

Increasing effectiveness and efficiency by providing end-to-end solutions

It is envisaged that the RSTC would provide direction to the existing subgroups of the current PC, OC, and CIPC that produce recurring deliverables that support ERO analytical work. As well, when emerging risks are identified, the RSTC would determine the best way to get a better understanding of the technical aspects of the issues and the potential mitigating strategies. It is envisaged that it would approach this task through the creation of issue-specific task forces that would have well-defined mandates and deliverables. A single issue-specific task force could be structured to examine and report on planning, operational and security aspects of a given issue. Examples of past

⁴ Currently the Personnel Subcommittee (PS), reports to the NERC Operating Committee and is the governing body of the NERC Continuing Education Program that oversees development and implementation of the Continuing Education (CE) Program requirements. The PS develops and updates, as necessary, the CE Program Manual. The RSTC should consider moving some functions from the PS to the NERC Personnel Certification Governance Committee. This transition would require a changes in NERC’s [Rules of Procedure](#).

issues that the RSTC might address in a more holistic way include essential reliability services (ERS), DER and inverter-based resources. Future issues may include, for example, storage.

Enhanced contact between the RSTC, the MRC, and the NERC Board

By replacing the three existing technical committees with one RSTC, enhanced contact will result between the new RSTC and the Board. More time at Board and MRC meetings is envisaged to hear a report from the RSTC and tee up specific items for discussion. As well, it is currently a challenge for Trustees to attend the OC, PC, and CIPC meetings as they occur concurrently.

General efficiencies

The integration of the existing OC, PC, and CIPC provides efficiencies in terms of both NERC and industry support, although these are difficult to quantify at this time. For example, rather than nearly 120 members participating in the three existing technical committees, approximately 40 members will participate in the RSTC. RSTC meetings will continue to be conducted as open meetings, similar to the existing technical committee meetings

Recommended Participation Model:

The SET is recommending a participation model for Option 2 which will be a hybrid of the existing models used in other committees. The number of RSTC members and qualifications are based on:

- Sector representation from Sectors 1 - 10 and 12 as discussed in Chapter 5
- Skills and knowledge criteria similar to the RISC
- Provisions for Canadian representation

Chapter 5: Membership

RSTC membership will be a hybrid model composed of Sector representatives, At Large representatives, and non-voting members. Sector representation will be two members each for Sectors 1 – 10 and 12.⁵ Overall selection of members will consider RE area and Interconnection diversity, subject matter expertise (Planning, Operating, or Security) organizational type (Cooperatives, Investor-Owned Utilities, Public Power, Power Marketing Agencies, etc.) and country (Canada, Mexico, and U.S.). At Large representation will be used to ensure a complete overall balanced representation and expertise in the RSTC.

Name	Voting Members
Sectors 1-10 and 12	22
At Large	10
Chair and Vice Chair	2
Total	34

Non-Voting Member	Number of Members
NERC Secretary	1
United States Federal Government	2
Canadian Federal Government	1
Provincial Government	1
Total	5

Membership Qualifications

The RSTC Charter will set forth that individuals qualified to serve on the RSTC will include senior management and technical level (e.g., Manager, Director, Vice President, Principal, Lead Engineer) industry experts who have familiarity, knowledge, and experience in Planning, Operating, and/or Security. In addition, the RSTC members are expected to have an understanding of Project Management culture and methods for delivering work products within scope, schedule, cost, and quality. The RSTC members will collaborate to provide oversight of multi-disciplinary and cross-organizational initiatives to ensure that the work products achieve the ERO's and RISC's strategic objectives, enhance NERC's critical functions, and collectively address planning, operating and security objectives. The RSTC will primarily oversee development and implementation of risk mitigating technical solutions through the work of the subcommittees, working groups, and task forces.

Expectations

Members of the RSTC are expected to support NERC's reliability mission;⁷ execute the policies, directives, and assignments of the Board; and advise the Board on the technical perspectives of risk mitigating solutions for: operating reliability matters; transmission planning matters; reliability and resource adequacy matters; physical and cyber security matters.⁸ Additionally, the RSTC will be responsible for ensuring the work of its subcommittees, working groups and task forces is completed in coordination with the efforts of the CCC, SC, PCGC, and the RISC.

⁵ With the ERO model maturing and Regional Entities an integral part of the ERO, Regional Entities (Sector 11) will not be directly represented on the stakeholder RSTC. Sector 11 representatives will participate as RSTC non-voting participants.

⁶ Mexican Government representation considered once they have joined NERC.

⁷ NERC's mission is to "assure effective and efficient reduction of risks to the reliability and security of the bulk power system."

⁸ Liaise with the Electricity Information Sharing and Analysis Center (E-ISAC).

Membership Selection (Initial Seating)

Nominations for initial terms for Sector representatives will be called for by NERC after Board approval in November 2019. The Sector nomination period will be November 6-December 6, 2019 and two members for each Sector will be sought. The Sector representation process will follow the current OC and PC election process. If no more than two nominations are received for a particular Sector, the two nominees will be deemed to have been elected for those positions. In the event that there are more than two nominees in any Sector, there will be a Sector election process to determine the two representatives for that Sector. Any unfilled Sector positions on the initial seating will convert to At Large seats to be filled through the Nominating Subcommittee (see below).

A nomination period for At Large nominees will occur after the Sector nomination period. This will be conducted December 9, 2019-January 3, 2020. Initial Seating of At Large representatives will be selected (for approval by the Board) by a Nominating Subcommittee consisting of the NERC Board Vice Chair, NERC Chief Executive Officer, MRC Vice Chair, and the RSTC's Chair and Vice Chair. Representatives will be selected based on the qualifications established in Membership and Membership Qualifications sections above. The qualifications and skills of the Sector representatives will be reviewed and At Large representatives will be selected to ensure broad skills, knowledge and geographic diversity within the RSTC. In addition to Sector seat diversity, membership on the RSTC will consider the following criteria in the selection of At Large representatives:

- Geographic and International (Canadian/Mexican) diversity, including a goal of having representatives based in each RE's area and each Interconnection.
- Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity; and,
- Subject matter expertise in Operations, Planning, and/or Security including a reasonable balance of expertise among these three areas.

The SET did not include the existing Sector 11 (Regional Entity) representation in the proposed model which reflects the maturation of the ERO enterprise and coordination within and between REs.

To ensure adequate Canadian representation, the membership to the committee may be increased so that the number of Canadian voting members is equal to the percentage of the net energy for load (NEL) of Canada to the total NEL of the United States and Canada, times the total number of voting members on the committee, rounded to the next whole number.

Membership Selection (On-Going Seating)

The RSTC must present all new members for approval by the NERC Board at its annual February meeting.

Nominations for Sector members (Sectors 1-10 and 12) will be called for annually under a process that is open, inclusive, and fair, similar to the annual nomination process of the existing OC and PC. Sector and At Large nominees may not represent more than one Sector at any one time and no single organization, including its affiliates, may have more than one member on the RSTC. RE employees are not eligible to be At Large representatives.

The SET did not include the existing Sector 11 (Regional Entity) representation in the proposed model which reflects the maturation of the ERO enterprise and coordination within and between REs.

To ensure adequate Canadian representation, the membership to the committee may be increased so that the number of Canadian voting members is equal to the percentage of the net energy for load (NEL) of Canada to the total NEL of the United States and Canada, times the total number of voting members on the committee, rounded to the next whole number.

The Nominating Subcommittee (NS),⁹ which is appointed by the RSTC every two years, is responsible for the selection of At-Large representatives.

The NS will identify (using an open nomination period), qualify, and recommend individuals to fill At Large representative vacancies on the committee or to serve as the chair or vice chair of the committee. Individuals recommended by the NS for appointment to the committee must be approved by the Board. Representatives will be selected based on the qualifications established in Membership and Membership Qualifications sections above. In addition to Sector seat diversity, membership on the RSTC will consider the following criteria in the selection of At Large representatives:

- Geographic and International (Canadian/Mexican) diversity, including a goal of having representatives based in each RE's area and each Interconnection.
- Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity; and,
- Subject matter expertise in Operations, Planning, and/or Security including a reasonable balance of expertise among these three areas.

See Appendix C for Sector and At Large definitions and descriptions.

Sectors will hold elections to fill expiring vacant Sector positions. Vacant At Large positions will be selected by the NS.

Interim Sector vacancies will be filled through a special election through an open nomination process and will remain vacant if not filled. Interim At-large vacancies will be filled by the NS through an open nomination process and will remain vacant if not filled.

Board Appointment and Membership Terms (Initial Terms)

Members will be appointed to the RSTC by the Board and serve on the RSTC at the pleasure of the Board. Member terms will initially consist of approximately half of the terms as three-year terms and the remaining half being two-year terms for both Sector and At Large representatives. This will promote continuity as the RSTC evolves. Sector and At Large nominees will nominate for either a three-year or two-year term. The NS will resolve any conflicts in terms to ensure staggered terms.

Board Appointment and Membership Terms (On-going Terms)

Members will be appointed to the RSTC by the Board and serve on the RSTC at the pleasure of the Board. Member terms are two years (with half of the terms ending in odd years and the remaining half ending in even years for both Sector and At Large representatives).

Officers

Officers will serve two-year terms and shall be selected as follows:

- The NS will develop a slate of candidates for the chair and vice chair and are elected by the full RSTC. The chair and vice chair will be confirmed by the Board.
- The Chair and Vice Chair may be a Sector or At Large member of the RSTC.
- The chair and vice chair shall not be from the same Sector.

⁹ The on-going RSTC Nominating Subcommittee will be appointed from the RSTC membership. The detailed information is contained in the proposed RSTC Charter.

- The chair and vice chair, upon assuming such positions, shall cease to act as representatives of the Sectors that elected them as representatives to the RSTC and shall thereafter be responsible for acting in the best interests of the members as a whole.
- Unless an exception is approved by the Board, no individual may serve more than one term as vice chair and one term as chair.

Chapter 6: Executive Committee

Authorization

The Executive Committee (EC) of the RSTC will be authorized by the RSTC to act on its behalf between regular meetings on matters where urgent actions are crucial and full RSTC discussions are not practical. Ultimate RSTC responsibility will reside with its full membership whose decisions cannot be overturned by the EC, and which retains the authority to ratify, modify, or annul EC actions.

Membership

The full RSTC will select an EC of six members, with consideration of Sectors, Regions, Interconnections, and other representation factors, as follows:

1. Chair
2. Vice-chair
3. Four RSTC voting members from different Sectors selected by the RSTC chair and vice-chair with subject matter expertise in Operations, Planning, and/or Security including a reasonable balance of expertise between the three areas.

DRAFT

Chapter 7: Industry Review and Comment Timeline

The SET presented the two options described in Chapter 3 to the MRC at its May 2019 meeting and requested feedback on these options. In light of that feedback and further consideration, the SET decided unanimously that Option 2 was preferable to Option 1 and has worked since that time to refine the details of the proposed RSTC for stakeholder feedback and further MRC and Board consideration.

The SET conducted an industry comment period from July 12-August 15, 2019 and conducted an industry webinar on August 8, 2019. There was an MRC Informational Session webinar on July 19, 2019 to inform industry of the SET's recommendations and to define the Policy Input questions regarding the proposal. There was also a Policy Input period July 11-31, 2019. The proposed recommendation was presented to the MRC for policy input at their August 14, 2019 meeting. The SET made revisions to the proposal based on MRC and Industry feedback. The revisions include:

- The SET Nominating Committee will recommend initial chair and vice chair for appointment by the Board (November meeting). Both are for two-year terms.
- The SET changed the Participation Model to two members per Sector. Sectors will elect or appoint their representatives. For the annual election, any unfilled seats will become At Large until the term expires.
- NERC will then hold Sector elections if needed followed by At Large nominating process with Nominating Subcommittee as shown in proposal document (above).
- Board to approve slate of RSTC members February 2020.
- Initial terms for Sector and At Large members will be approximately half of the members for two-year terms and half for a three-year term.
- After initial terms, all terms are two-year staggered terms with approximately half of Sector and At Large terms expiring annually.
- The EC will be elected by the RSTC membership at the first RSTC meeting.
- The SET clarified the goal of having representatives based in each RE's area and each Interconnection.
- The on-going RSTC Nominating Subcommittee will be appointed from the RSTC membership.
- The SET developed a transition plan (Appendix D) to extend the implementation period of the RSTC. The OC, PC, and CIPC will meet in March 2020 with the RSTC having an administrative meeting in March. The full RSTC will meet in June 2020.
- The SET also removed the requirement for executive level experience for RSTC members.

The final recommendation will be presented to the Board at its November 5, 2019 meeting.

Chapter 8: Elements of a Charter for the Reliability and Security Technical Committee

The SET reviewed existing technical committee charters and scope documents and recommends including the following in the Reliability and Security Technical Committee Charter:

1. Membership
 - a. Representation
 - b. Selection
 - c. Terms
 - d. Vacancies
 - e. Proxies
2. Meetings
 - a. Frequency
 - b. Quorum
 - c. Voting
 - d. Confidential sessions
3. Officers
 - a. Terms
 - b. Conditions
 - c. Selections
4. Voting
5. Subcommittees, Working Groups, Task Forces
 - a. Formation and Cessation
 - b. Work Plan Approval Process

Appendix A: Stakeholder Engagement Team Roster

Table A.1: Stakeholder Engagement Team Roster	
Name	Company
Leadership	
Jennifer Sterling (MRC Vice Chair)	Exelon
Mark Lauby	NERC
Team Members	
Ken DeFontes	NERC Trustee
Fred Gorbet	NERC Trustee
Greg Ford (MRC Chair)	Georgia System Operations Corporation
Lloyd Linke (OC Chair)	Western Area Power Administration
Dave Zwergel (OC Vice Chair)	MISO
Brian Evans-Mongeon (PC Chair)	Utility Services, Inc.
Marc Child (CIPC Chair)	Great River Energy
Jennifer Flandermeyer (CCC Chair)	Kansas City Power & Light
Jason Marshall	Wabash Valley Power Alliance
Patti Metro	NRECA
David Short	IESO
Martin Sidor	NRG Energy, Inc.
Scott Tomashefsky (CCC Vice Chair)	Northern California Power Agency
Jeffrey Cook	Bonneville Power Association
Michael Desselle	Southwest Power Pool
Additional Participants	
Edison Elizeh	Bonneville Power Association
Gaurav Karandikar	SERC
Phil Fedora	NPCC
David Zwergel	MISO
Jim Albright	TexasRE
Dave Godfrey	WECC
Tim Ponsetti	SERC
Melinda Montgomery	SERC
Maggie Peacock	SERC
John Odom	FRCC
Eric Senkowicz	FRCC
Jeff Craig	RF
Ray Palmieri	RF
NERC Staff	
Sam Chanoski	Tom Hofstetter
John Moura	Nina Jenkins-Johnston
Stephen Crutchfield	Sandy Shiflett
Mark Olson	

Appendix B: Existing Participation Models

Table B.1: Existing Participation Models			
	RISC	CIPC	OC/PC
	Pool of Experts	Regional Entity Representation	Balanced Sectors
Member Composition	<p>6 – Stakeholder based</p> <ul style="list-style-type: none"> • 4 – MRC • 2 – At-Large <p>5 – Committee based</p> <ul style="list-style-type: none"> • 1 – from each of the standing committees (OC/PC/CIPC/CCC/SC) 	<p>32 Voting Members</p> <ul style="list-style-type: none"> • 24 – registered entities (3 from each Regional Entity) • 2 – Canada • 2 – Policy Experts • 2 – APPA • 2 – NRECA 	<p>29 Voting Members</p> <ul style="list-style-type: none"> • 27 – Sectors 1-12¹⁰ • 2 – Chair and Vice Chair
Selecting Body	<p>Stakeholder Based Nominating Committee (chaired by the MRC Vice-Chair) presents a recommended slate of candidates to the Board.</p> <p>Committee Based Board appointed</p>	<p>Self-nomination from groups identified above</p> <p>Subject to removal by Executive Committee</p>	<p>Candidates are elected by the registered NERC Members in Sectors 1-10 and 12.</p> <p>Members in Sector 11 are appointed by the Regional Entity.</p>
Criteria	<p>Geographic and International diversity, such that Eastern, Western, and Texas Interconnections, along with Canada are represented on the RISC;</p> <p>Sector, size, and asset (transmission, distribution, load, generation, etc.) diversity;</p> <p>High-level understanding and perspective on reliability risks;</p> <p>Experience in a leadership role or background in an executive-level position is strongly preferred; and Balanced consideration of these criteria, across the entire membership of the RISC.</p>	<p>Each RE’s voting members must collectively have expertise in physical security, cyber security and operations</p>	<p>Investor-Owned Utility</p> <p>State/Municipality</p> <p>Cooperative Utility</p> <p>Federal or Provincial Utility / Federal Power Marketing Administration</p> <p>Transmission Dependent Utility</p> <p>Merchant Electricity Generator</p> <p>Electricity Marketer</p> <p>Large End-User Electricity Customer</p> <p>Small End-User Electricity Customer</p> <p>Independent System Operator / Regional Transmission Organization</p>

¹⁰ Sectors 1-3, 5-9, and 11-12 have two voting members each. Sector 4 has four voting members and Sector 10 has three voting members.

Table B.1: Existing Participation Models			
	RISC	CIPC	OC/PC
	Pool of Experts	Regional Entity Representation	Balanced Sectors
			Regional Entity State Government Officers
Non-Voting Members		Identified list of organizations	Government representatives (including Canada) Secretary Chair and Vice Chair of the subcommittees

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Appendix C: Reliability and Security Technical Committee Member Definitions

Table C.1: RSTC Members		
Name	Definition	Members
Voting Members		
1. Investor-Owned Utility	This Sector includes any investor-owned entity with substantial business interest in ownership and/or operation in any of the asset categories of generation, transmission, or distribution. This Sector also includes organizations that represent the interests of such entities.	2
2. State/Municipal Utility	This Sector includes any entity owned by or subject to the governmental authority of a state or municipality, that is engaged in the generation, delivery, and/or sale of electric power to end-use customers primarily within the political boundaries of the state or municipality; and any entity, whose members are municipalities, formed under state law for the purpose of generating, transmitting, or purchasing electricity for sale at wholesale to their members. This Sector also includes organizations that represent the interests of such entities.	2
3. Cooperative Utility	This Sector includes any non-governmental entity that is incorporated under the laws of the state in which it operates, is owned by and provides electric service to end-use customers at cost, and is governed by a board of directors that is elected by the membership of the entity; and any non-governmental entity owned by and which provides generation and/or transmission service to such entities. This Sector also includes organizations that represent the interests of such entities.	2
4. Federal or Provincial Utility/Federal Power Marketing Administration	This Sector includes any U.S. federal, Canadian provincial, or Mexican entity that owns and/or operates electric facilities in any of the asset categories of generation, transmission, or distribution; or that functions as a power marketer or power marketing administrator. This Sector also includes organizations that represent the interests of such entities.	2
5. Transmission dependent Utility	This Sector includes any entity with a regulatory, contractual, or other legal obligation to serve wholesale aggregators or customers or end-use customers and that depends primarily on the transmission systems of third parties to provide this service. This Sector also includes organizations that represent the interests of such entities.	2
6. Merchant Electricity Generator	This Sector includes any entity that owns or operates an electricity generating facility that is not included in an investor-owned utility's rate base and that does not otherwise fall within any of Sectors (i) through (v). This Sector includes but is not limited to cogenerators, small power producers, and all other non-utility electricity producers such as exempt wholesale generators who sell electricity at wholesale. This Sector also includes organizations that represent the interests of such entities.	2
7. Electricity Marketer	This Sector includes any entity that is engaged in the activity of buying and selling of wholesale electric power in North America on a physical	2

Table C.1: RSTC Members		
Name	Definition	Members
	or financial basis. This Sector also includes organizations that represent the interests of such entities.	
8. Large End-User Electricity Customer	This Sector includes any entity in North America with at least one service delivery taken at 50 kV or higher (radial supply or facilities dedicated to serve customers) that is not purchased for resale; and any single end-use customer with an average aggregated service load (not purchased for resale) of at least 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility. This Sector also includes organizations that represent the interests of such entities.	2
9. Small End User	This Sector includes any person or entity within North America that takes service below 50 kV; and any single end-use customer with an average aggregated service load (not purchased for resale) of less than 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility. This Sector also includes organizations (including state consumer advocates) that represent the interests of such entities	2
10. Independent System Operator/Regional Transmission Organization	This Sector includes any entity authorized by the Commission to function as an independent transmission system operator, a Regional transmission organization, or a similar organization; comparable entities in Canada and Mexico; and the Electric Reliability Council of Texas or its successor. This Sector also includes organizations that represent the interests of such entities.	2
12. State Government	This Sector includes any state government department or agency in the United States having a regulatory and/or policy interest in the Bulk Electric System (BES).	2
Officers	Chair and Vice Chair	2
At Large	Entities that collectively meet the following general criteria for balanced representation: (i) geographic diversity from all U.S. interconnections and ERO Enterprise Regional Entities, (ii) high-level understanding and perspective on reliability risks based on experience at an organization in the electricity sector, (iii) operations, planning and/or cybersecurity experience and expertise from an organization in the electricity sector. Excludes Regional Entity staff.	10
Non-Voting Members		
Government Representatives	This Sector includes any federal, state, or provincial government department or agency in North America having a regulatory and/or policy interest in wholesale electricity. Entities with regulatory oversight over the Corporation or any Regional Entity, including U.S., Canadian, and Mexican federal agencies and any provincial entity in Canada having statutory oversight over the Corporation or a Regional Entity with respect to the approval and/or enforcement of Reliability Standards, may be non-voting members of this Sector.	
	United States Federal Government	2
	Canadian Federal Government	1
	Provincial Government	1
Secretary	The committee secretary is a NERC staff member appointed by NERC management and will be seated at the committee table	1

Appendix D: Reliability and Security Technical Committee Timeline

The SET developed a timeline to facilitate the transition from the existing committee structure to the RSTC. The NERC Board has requested that the SET provide a recommendation for the initial Chair and Vice Chair to serve two-year terms. To that end, NERC opened a nomination period from September 9-23, 2019 for the officer positions. The SET reviewed the nominations and selected a slate for recommendation to the Board for appointment at the November 5, 2019 Board meeting. The transition timeline is shown below:

- September 30, 2019 (8:00 – 5:00) – SET meeting in Chicago; recommended slate for Chair and Vice Chair and finalized charter.
- October 10, 2019 – MRC informational Session
- October 18, 2019 – Industry Webinar (11:00 am – 12:00 pm)
- November 5, 2019 – Board considers Proposal, Charter and Transition Plan; if approved, appoints Chair and Vice Chair.
- November 6, 2019 – Open Sector nomination period
- December 6, 2019 – Sector nomination period ends. NERC Staff will conduct Sector elections, if necessary, by December 20, 2019.
- December 9, 2019–January 3, 2020 – Open At Large nomination period. NERC Staff/SET analyzes Sector reps for gaps to be filled by At Large members.
- January 6-15, 2020 – Nominating Subcommittee to develop slate of At Large nominees for presentation to the Board.
- February 6, 2020 – Board appoints RSTC members (Sector and At Large). Terms will expire in June of alternating years following the initial terms with the initial term being two or three years, and thereafter 2 year terms. RSTC members will be notified of their appointment by the Board.
- February 7–May 29, 2020 – RSTC develops transition plan and work plans for RSTC and subcommittees. Coordinate with committee and subcommittee leadership to ensure work plans are in place and on schedule.
- March 3-4, 2020 – Hold OC, PC, and CIPC meetings as scheduled. RSTC members will be encouraged to attend one or more sessions and will meet on March 4, 2020 for the inaugural RSTC meeting to establish the Nominating Subcommittee, Executive Committee, and perform other administrative items. RSTC will be operational to ensure smooth transition.
- June 2020 – OC, PC, and CIPC will meet for final work plan approvals and to complete any other approvals. These committees will be disbanded after this session. RSTC will hold initial regular meeting with subcommittee reports and other agenda items.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Reliability and Security Technical Committee Charter

November 2019

Approved by the NERC Board of Trustees: XX XX, 2019

RELIABILITY | RESILIENCE | SECURITY



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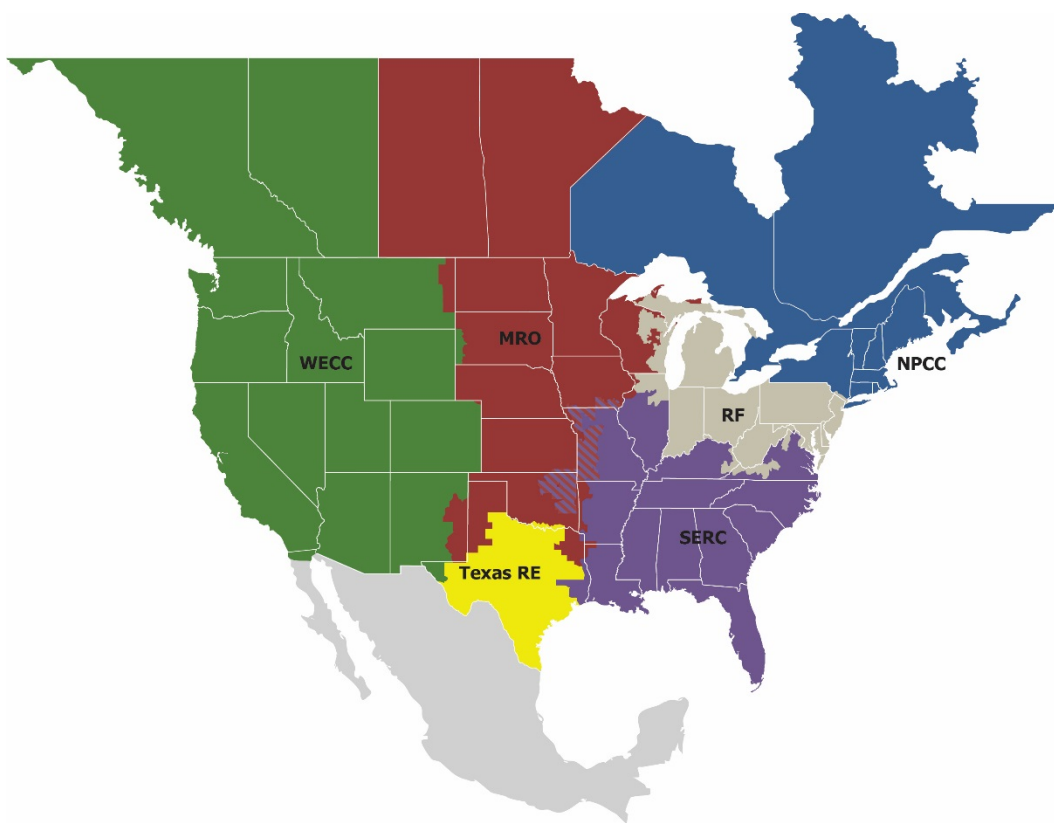
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is divided into six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one Region while associated Transmission Owners/Operators participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Section 1: Purpose

The Reliability and Security Technical Committee (RSTC) is a standing committee that strives to advance the reliability and security of the interconnected BPS of North America by:

- Creating a forum for aggregating ideas and interests, drawing from diverse industry stakeholder expertise, to support the ERO Enterprise's mission; and,
- Leveraging such expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS for the benefit of industry stakeholders, the NERC Board of Trustees (Board) and ERO Enterprise staff and leadership.

Section 2: RSTC Functions

Create a forum for industry stakeholders to support NERC programs in the development of key ERO Enterprise deliverables.

- Facilitate and advocate information sharing among relevant industry stakeholders;
- Review and provide guidance in developing deliverables critical to ERO functions, such as Reliability Standards, reliability assessments, requests for data (pursuant to Section 1600 of the NERC Rules of Procedure Section (ROP)), Implementation Guidance, and other analyses, guidelines, and reports;
- Solicit and coordinate technical direction, oversight activities, and feedback from industry stakeholders;
- Disseminate ERO deliverables to industry to enhance reliability;
- Develop internal and review external requests for industry actions and informational responses;
- Develop appropriate materials, as directed by ERO functions or the NERC Board, to support ERO Enterprise functions; and,
- Coordinate with ERO staff and liaise with government agencies and trade associations.

Coordinate and oversee implementation of RSTC subgroup work plans.

- Create and disband subcommittees, working groups and task forces to support ERO Enterprise functions;
- Harmonize and approve the work plans of subcommittees, working groups, and task forces to ensure alignment with strategic reports and analyses, such as the Business Plan and Budget, ERO Enterprise Long-Term Strategy, Operating Plan, biennial RISC report, State of Reliability report recommendations, Long-Term, Seasonal and Special Reliability Assessment recommendations and ongoing events analysis trends; and,
- Track the progress of the subcommittees, working groups, and task forces to complete assigned activities.

Advise the NERC Board of Trustees.

- Approve, accept, remand or endorse¹ ERO processes, analyses, reports, and other deliverables for the NERC Board; and,
- Provide technical input and analyses on operating and planned BPS reliability and security, emerging issues and risks, and other general industry concerns at the request of the NERC Board or NERC staff.

¹ See Section 8 for further details on these actions.

Section 3: Membership

Representation Model

The RSTC has a hybrid representation model consisting of the following types of memberships:

- Sector members;
- At-large members; and,
- Non-voting members.

Two members shall be elected to each of the following membership sectors:

- Sector 1 - Investor-owned Utility;
- Sector 2 - State/Municipal Utility;
- Sector 3 - Cooperative Utility;
- Sector 4 - Federal or Provincial Utility/Power Marketing Administration;
- Sector 5 - Transmission-dependent Utility;
- Sector 6 - Merchant Electricity Generator;
- Sector 7 - Electricity Marketer;
- Sector 8 - Large End Use Electricity Customer;
- Sector 9 - Small End Use Electricity Customer;
- Sector 10 - ISO/RTO; and,
- Sector 12 - Government Representatives.

Selection of at-large members will allow for better balancing of representation on the RSTC of the following:

- Regional Entity and Interconnection diversity (i.e., goal of having at least one representative from each Interconnection and Regional Entity footprint);
- Subject matter expertise (Planning, Operating, or Security);
- Organizational types (Cooperatives, Investor-Owned Utilities, Public Power, Power Marketing Agencies, etc.); and,
- North American countries, consistent with the NERC bylaws (Canada, Mexico, and U.S.).

Below is a breakdown of voting and non-voting membership on the RSTC:

Voting Membership	
Name	Voting Members
Sectors 1-10 and 12	22
At-Large	10
Chair and Vice Chair	2
Total	34

Non-Voting Membership ²	
Non-Voting Member	Number of Members
NERC Secretary	1
United States Federal Government	2
Canadian Federal Government	1
Provincial Government	1
Total	5

Member Selection

It is expected that RSTC members will be from organizations who are NERC members, but it is not required.

Members are appointed to the RSTC upon approval of the NERC Board and serve on the RSTC at the pleasure of the NERC Board.

1. Affiliates

A company, including its affiliates, may not have more than one member on the RSTC. Any RSTC member who is aware of a membership conflict of this nature is obligated to notify the RSTC secretary within 10 business days. The RSTC secretary will in turn report the conflict to the RSTC chair.

Members impacted by such a conflict, such as through a merger of organizations, may confer among themselves to determine which member should resign from the RSTC and notify the secretary and chair; however, if they are within the same industry sector and cannot reach an amicable solution to determine who will remain, the Nominating Subcommittee will review the qualifications of each member and make a recommendation to the full RSTC. The RSTC will determine which member shall continue to serve, subject to NERC Board approval.

If the conflict is not resolved in a timely manner by the impacted members, the chair shall notify all members of the affected industry sectors and recommend actions to resolve the conflict. If the membership conflict remains unresolved, the chair shall refer the conflict to the NERC Board for resolution.

2. Election of Sector Members

NERC members in each sector will annually elect members for expiring terms or open seats using a nomination and election process that is open, inclusive, and fair. In the event that a sector has no nominations for one or both sector seats at the annual election, the RSTC must first attempt to fill those sector positions with at-large members. Otherwise, the sector seat will remain vacant until the next annual election.

Sector elections will be completed in time for the Nominating Subcommittee to identify and nominate at-large representatives as well as for the secretary to send the full RSTC membership list to the NERC Board for its approval at the February meeting.

After the secretary announces the election results, newly elected members will serve on the RSTC pending approval by the Board.

If an interim vacancy is created in a sector, a special election will be held unless it would coincide with the annual election process. If a sector cannot fill an interim vacancy, then that sector seat will remain vacant until the next annual election. Interim sector vacancies will not be filled with an at-large representative.

² Upon recognition of NERC as the Electric Reliability Organization, Mexican Government representation will be equitable and based approximately on proportionate Net Energy for Load.

3. Nominating Subcommittee

The Nominating Subcommittee will consist of five members (the RSTC Vice-Chair and four members drawing from different sectors and at-large representatives).

The Nominating Subcommittee members are nominated by the RSTC chair and approved by the full RSTC membership.

The term for members of the Nominating Subcommittee is two years.

In addition to recommending individuals for at-large representative seats, the Nominating Subcommittee manages the process to select the chair and/or vice chair of the RSTC. The RSTC vice-chair shall recuse him or herself from this process.

4. Selection of At-Large Members

The Nominating Subcommittee recommends individuals to fill at-large representative seats on the RSTC, following consultation of the full RSTC.

5. Non-Voting Members

At the start of the annual RSTC nomination process, the RSTC secretary will coordinate with entities entitled to non-voting membership to identify representatives for the non-voting seats.

6. International Representation

Canadian representation on the RSTC shall be consistent with Article VIII Section 4 of the NERC Bylaws.

Member Expectations

RSTC members are expected to act in accordance with this charter as well as to accomplish the following:

- Adhere to NERC Antitrust Guidelines and Participant Conduct Policy;
- Demonstrate and provide knowledge and expertise in support of RSTC activities;
- Where applicable, solicit comments and opinions from constituents and groups of constituents or trade organizations represented by the member and convey them to the RSTC;
- Respond promptly to all RSTC requests, including requests for reviews, comments, and votes on issues before the RSTC; and,
- Comply with the procedures in this Charter and Robert's Rules of Order during meetings.

Term

Upon the initial establishment of the RSTC, one half of members will serve for two year terms (with terms ending in even years) and the remaining half will serve for three year terms (with terms ending in odd years).

When the initial terms are complete, all terms will have a standard length of two years to ensure staggered membership.

Terms shorter than two years may be required for several reasons:

- If two members are simultaneously selected to a sector that did not have any existing members, in order to stagger their terms, one member will be assigned a one-year term and the second member will be assigned a two-year term.
- If a member is selected to fill a vacant member position between elections, the term will end when the term for that vacant position ends.

There are no limits on the number of terms that members can serve.

Vacancies and Proxies

Any membership vacancies may be filled between annual elections using the aforementioned selection process.

1. Vacancies Created By the Member

In the event a member can no longer serve on the RSTC, that member will submit a written resignation to the RSTC chair or the secretary.

2. Vacancies Requested by the Chair

The chair may request any RSTC member who ceases to participate in the RSTC consistent with member expectations (above) and to the satisfaction of the chair, to submit a resignation or to request continuation of membership with an explanation of extenuating circumstances. If a written response is not received within 30 days of the chair's request, the lack of response will be considered a resignation. If the chair is not satisfied with a written response, the RSTC chair will refer the matter to the NERC Board.

3. Vacancies Requested By the Board

RSTC members serve at the pleasure of the NERC Board. The NERC Board may initiate a request for resignation, removal, or replacement a member from the RSTC, as it deems appropriate or at the request of the RSTC chair.

4. Proxies

A voting member may select a proxy who attends and votes during all or a portion of a committee meeting in lieu of a voting member, provided that the absent voting representatives notifies the RSTC chair, vice chair, or secretary of the proxy. A proxy may not be given to another RSTC member. A proxy must meet the RSTC's membership eligibility requirements.

To permit time to determine a proxy's eligibility, all proxies must be submitted to the secretary in writing at least one week prior to the meeting (electronic transmittal is acceptable) for approval by the chair. Any proxy submitted after that time will be accepted at the chair's discretion.

Section 4: Meetings

In the absence of specific provisions in this charter, all committee meetings will follow Roberts Rules of Order.

Quorum

The quorum necessary for transacting business at meetings of the RSTC is two-thirds of the voting members currently on the RSTC's roster.

If a quorum is not present at the time of the vote, the RSTC may not take any actions requiring a vote; however, the chair may, with the consent of the majority of voting members present, elect to allow discussion of the agenda items.

Voting

Actions by the RSTC will be approved upon receipt of the affirmative vote of two-thirds of the votes present at any meeting at which a quorum is present.

Voting may take place during regularly scheduled in-person meetings or may take place via electronic mail or conference call.

Open Meetings

RSTC meetings will be open to the public, except as noted below under Confidential Information.

Confidential Sessions

At the discretion of the chair, a meeting or portion of an RSTC meeting may have attendance limited based on confidentiality of the information to be disclosed at the meeting. Such limitations should be applied sparingly and on a non-discriminatory basis. Confidential Information will only be disclosed as provided by Section 1500 of the NERC ROP.

Majority and Minority Views

All members of a committee will be given the opportunity to provide alternative views on an issue. The results of committee actions, including recorded minutes, will reflect the majority as well as any minority views of the committee members. The chair will communicate both the majority and any minority views in presenting results to the NERC Board.

Action without a Meeting

Any action required or permitted at a meeting of the committee may be taken without a meeting at the request of the chair.

Such action without a meeting will be performed by mail or electronic ballot (e.g., telephone, email, or Internet) and will be recorded in the minutes as a roll call ballot. The secretary will announce the action required at least five business days before the date on which voting commences. As time permits, members should be allowed a window of 10 business days to vote. The secretary will document the results of such an action within 10 business days of the close of the voting period. Such action must meet the regular meeting quorum and voting requirements above.

Section 5: Officers and Executive Committee

Officers

The RSTC will have two officers – one chair and one vice-chair.

Officers shall be selected as follows:

- The Nominating Subcommittee solicits nominations for chair and vice-chair through an open nomination process. Self-nominations are permitted.
- The Nominating Subcommittee proposes chair and vice-chair candidates. The full RSTC will elect the chair and vice chair.
- The chair and vice chair shall not be from the same sector.
- The elected chair and vice-chair are approved by the NERC Board.
- Unless an exception is approved by the Board, no individual may serve more than one term as vice chair and one term as chair.

Secretary

NERC will appoint the RSTC secretary.

A member of the NERC staff will serve as the secretary of the RSTC. The secretary will do the following:

- Manage the day-to-day operations and business of the RSTC;
- Prepare and distribute notices of the RSTC meetings, prepare the meeting agenda, and prepare and distribute the minutes of the RSTC meetings;
- Facilitate the election/selection process for RSTC members; and,
- Act as the RSTC's parliamentarian.

Chair

The chair will direct and provide general supervision of RSTC activities, including the following:

- Coordinate the scheduling of all meetings, including approval of meeting duration and location;
- Develop agendas and rule on any deviation, addition, or deletion from a published agenda;
- Preside at and manage meetings, including the nature and length of discussion, recognition of speakers and proxies, motions, and voting;
- Act as spokesperson for the RSTC at forums inside and outside of NERC; and,
- Attend meetings of the NERC Board when necessary to report on RSTC activities.

Vice Chair

The vice chair will assume the responsibilities of the chair under the following conditions:

- At the discretion of the chair (for brief periods of time);
- When the chair is absent or temporarily unable to perform the chair's duties; or,
- When the chair is permanently unavailable or unable to perform the chair's duties. In the case of a permanent change, the vice chair will continue to serve until a new chair is nominated and appointed by the NERC Board.

Executive Committee

The RSTC will select an executive committee of six members as follows:

- Chair;
- Vice-chair;
- Four RSTC voting members from different sectors selected by the RSTC chair and vice-chair with a reasonable balance of subject matter expertise in Operations, Planning, and/or Security and with consideration for diversity in representation (i.e., sectors, Regional Entities, Interconnections, etc.).

The executive committee of the RSTC is authorized by the RSTC to act on its behalf between regular meetings on matters where urgent actions are crucial and full RSTC discussions are not practical.

Ultimate RSTC responsibility resides with its full membership whose decisions cannot be overturned by the executive committee, and which retains the authority to ratify, modify, or annul executive committee actions.

Section 6: RSTC Subordinate Groups

The RSTC organizational structure will be aligned as described by the NERC Bylaws to support a superior-subordinate hierarchy.

The RSTC may establish subcommittees, working groups, and task forces as necessary. The RSTC will be the responsible sponsor of all subordinate subcommittees, working groups, or task forces that it creates, or that its subordinate subcommittees and working groups may establish. The RSTC will keep the NERC Board informed of all groups subordinate to the RSTC.

Officers of subordinate groups will be appointed by the chair of the RSTC.

Subcommittees, working groups, and taskforces will conduct business in a manner consistent with all applicable sections of this manual and Robert's Rules of Order.

Subcommittees

The RSTC may establish subcommittees to which the RSTC may delegate some of RSTC's functions. The RSTC will approve the scope of each subcommittee it forms. The RSTC chair will appoint the subcommittee officers (typically a chair and a vice chair) for a specific term (generally two years). The subcommittee officers may be reappointed for up to two additional terms. The subcommittee will work within its assigned scope and be accountable for the responsibilities assigned to it by the committee. The formation of a subcommittee, due to the permanency of the subcommittee, will be approved by the NERC Board.

Working Groups

The RSTC may delegate specific continuing functions to a working group. The RSTC will approve the scope of each working group that it forms. The RSTC or subcommittee will appoint the working group officers (typically a chair and a vice chair) for a specific term (generally two years). The working group officers may be reappointed for one additional term. The RSTC will conduct a "sunset" review of each working group every year. The working group will be accountable for the responsibilities assigned to it by the RSTC or subcommittee and will, at all times, work within its assigned scope. The RSTC should consider promoting to a subcommittee any working group that is required to work longer than one term.

Task Forces

The RSTC may assign specific work to a task force. The RSTC will approve the scope of each task force it forms. The chair of the RSTC will appoint the task force officers (typically a chair and a vice chair). Each task force will have a finite duration, normally less than one year. The RSTC will review the task force scope at the end of the expected duration and at each subsequent meeting of the RSTC until the task force is retired. Action of the RSTC is required to continue the task force past its defined duration. The RSTC should consider promoting to a working group any task force that is required to work longer than one year.

Section 7: Meeting Procedures

Voting Procedures for Motions

- The default procedure is a voice vote.
- If the chair believes the voice vote is not conclusive, the chair may call for a show of hands.
- The chair will not specifically ask those who are abstaining to identify themselves when voting by voice or a show of hands.
- The committee may conduct a roll-call vote in those situations that need a record of each member's vote.
- The committee must approve conducting a roll call vote for the motion.
- The secretary will call each member's name.
- Members answer "yes," or "no," but may answer "present" if they wish to abstain from voting.

Minutes

- Meeting minutes are a record of what the committee did, not what its members said.
- Minutes should list discussion points where appropriate, but should usually not attribute comments to individuals. It is acceptable to cite the chair's directions, summaries, and assignments.
- Do not list the person who seconds a motion.
- Do not record (or even ask for) abstentions.
- All Committee members are afforded the opportunity to provide alternative views on an issue. The meeting minutes will provide an exhibit to record minority positions. The chair shall report both the majority and any minority positions in presenting results to the NERC Board.

Section 8: RSTC Deliverables and Approval Processes

The RSTC will abide by the following parameters regarding approval, endorsement, or acceptance of committee deliverables.

Reliability Guidelines

Reliability Guidelines are documents that suggest approaches or behavior in a given technical area for the purpose of improving reliability. Reliability Guidelines are not binding norms or mandatory requirements. Reliability Guidelines may be adopted by a responsible entity in accordance with its own facts and circumstances.

1. New/updated draft guideline approved for industry posting.

The RSTC approves for posting for industry comment the release of a new or updated draft guideline developed by one of its subgroups or the committee as a whole.

The draft guideline is posted as “for industry-wide comment” for 45 days. If the draft guideline is an update, a redline version against the previous version must also be posted.

After the public comment period, the RSTC will post the comments received as well as its responses to the comments. The RSTC may delegate the preparation of responses to a committee subgroup.

A new or updated guideline which considers the comments received, is approved by the RSTC and posted as “Approved” on the NERC website. Updates must include a revision history and a redline version against the previous version.

After posting a new or updated guideline, the RSTC will continue to accept comments from the industry via a web-based forum where commenters may post their comments.

- a. Each quarter, the RSTC will review the comments received.
- b. At any time, the RSTC may decide to update the guideline based on the comments received or on changes in the industry that necessitate an update.
- c. Updating an existing guideline will require that a draft updated guideline be approved by the RSTC in the above steps.

2. Review of Approved Reliability Guidelines, Security Guidelines and Reference Documents

Approved Reliability Guidelines or Reference Document shall be reviewed for continued applicability by the RSTC at a minimum of every third year since the last revision.

3. Communication of New/Revised Reliability Guidelines, Security Guidelines and Reference Documents

In an effort to ensure that industry remains informed of revisions to a Reliability Guideline or Reference Document or the creation of a new Reliability Guideline or Reference Document, the RSTC subcommittee responsible for the Reliability Guideline will follow an agreed upon process.

4. Coordination with Standards Committee

Standards Committee authorization is required for a Reliability Guideline to become a supporting document that is posted with or referenced from a NERC Reliability Standard. See Appendix 3A in the NERC’s ROP under “Supporting Document.”

Section 1600 Data or Information Requests

A report requested by the RSTC that accompanies or recommends a Rules of Procedure (ROP) Section 1600 - Data or Information Request will follow the process outlined below:

1. This Section 1600 request, with draft supporting documentation, will be provided to the RSTC at a regular meeting.
2. The draft Section 1600 data request and supporting documentation will be considered for authorization to post for comments at the RSTC regular meeting.
3. A committee subgroup will review and develop responses to comments on the draft Section 1600 data request and will provide a final draft report, including all required documentation for the final data request, to the RSTC at a regular meeting for endorsement.
4. The final draft of the 1600 data request – with responses to all comments and any modifications made to the request based on these comments – will be provided to the NERC Board.

Other Types of Deliverables

1. Policy Outreach

On an ongoing basis, the RSTC will coordinate with the forums, policymakers, and other entities to encourage those organizations to share reliability guidelines, reference documents and lessons learned to benefit the industry.

Reports required under the NERC ROP or as directed by an Applicable Governmental Authority or the NERC Board: documents include NERC’s long-term reliability assessment, special assessments, and probabilistic assessments. These reports may also be used as the technical basis for standards actions and can be part of informational filings to FERC or other government agencies.

2. White Papers

Documents that explore technical facets of topics, often making recommendations for further action. They may be written by subcommittees, working groups, or task forces of their own volition, or at the request of the RSTC.

3. Reference Documents and Technical Reports

Documents that serve as a reference for the electric utility industry and/or NERC stakeholders regarding a specific topic of interest. These deliverables are intended to document industry practices or technical concepts at the time of publication and may be updated as deemed necessary, per a recommendation by the RSTC or its subgroups to reflect current industry practices.

4. Implementation Guidance

Documents providing examples or approaches for registered entities to comply with standard requirements. The RSTC is designated by the ERO Enterprise as a pre-qualified organization for vetting Implementation Guidance in accordance with NERC Board -approved Compliance Guidance Policy. Implementation Guidance that is endorsed by the RSTC can be submitted to the ERO Enterprise for endorsement, allowing for its use in Compliance Monitoring and Enforcement Program (CMEP) activities.

Review Process for other Deliverables

Deliverables with a deadline established by NERC management or the NERC Board will be developed based on a timeline reviewed by the RSTC to allow for an adequate review period, without compromising the desired report release dates. Due to the need for flexibility in the review and approval process, timelines are provided as guidelines to be followed by the committee and its subgroups.

A default review period of no less than 10 business days will be provided for all committee deliverables. Requests for exceptions may be brought to the RSTC at its regular meetings or to the Executive Committee if the exception cannot wait for an RSTC meeting.

In all cases, a final report may be considered for approval, endorsement, or acceptance if the RSTC, as outlined above, decides to act sooner.

Possible Actions for other Deliverables

1. Approve:

The RSTC has reviewed the deliverable and supports the content and development process, including any recommendations.

2. Accept:

The RSTC has reviewed the deliverable and supports the development process used to complete the deliverable.

3. Remand:

The RSTC remands the deliverable to the originating subcommittee, refer it to another group, or direct other action by the RSTC or one of its subcommittees or groups.

4. Endorse:

The RSTC agrees with the content of the document or action, and recommends the deliverable for the approving authority to act on. This includes deliverables that are provided to the RSTC by other NERC committees. RSTC endorsements will be made with recognition that the deliverable is subject to further modifications by NERC Executive Management and/or the NERC Board. Changes made to the deliverable subsequent to RSTC endorsement will be presented to the RSTC in a timely manner. If the RSTC does not agree with the deliverable or its recommendations, it may decline endorsement. It is recognized that this does not prevent an approval authority from further action.

NERC

NORTH AMERICAN ELECTRIC
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Reliability and Security Technical Committee

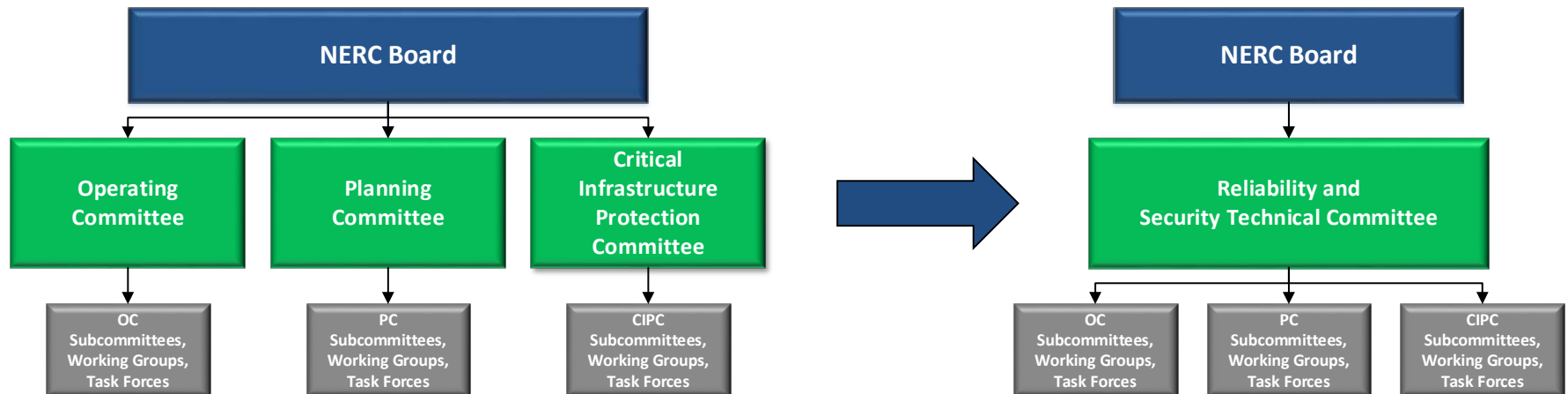
Greg Ford, MRC Chair
MRC Informational Session
October 10, 2019

RELIABILITY | RESILIENCE | SECURITY



- Participants in the evaluation process include:
 - Operating Committee (OC), Planning Committee (PC), and Critical Infrastructure Protection Committee (CIPC) Chairs
 - Member Representatives Committee (MRC) Chair and Vice Chair
 - Industry volunteers
 - Regional Entity (RE) staff
 - NERC Board and staff

- Replace OC, PC, and CIPC with the Reliability and Security Technical Committee (RSTC)
- Retain existing subcommittees, working groups, and task forces
- Will evaluate work products of subcommittees, working groups, and task forces and eliminate or combine those without recurring responsibilities



- July 11 - August 6, 2019 – MRC Policy Input period
- July 19, 2019 – MRC Information Session where RSTC Proposal was discussed
- July 12 - August 15, 2019 – Industry Comment Period
- August 8, 2019 – Industry Webinar
- August 14, 2019 – MRC Meeting where RSTC Proposal was discussed

- Participation Model should have two members per sector
- Provisions for Canadian representation
- Publish SET meeting minutes
- Please explain what is meant by blurring and provide some examples of where this has occurred
- A robust and systematic selection process must be developed
- Add criteria to ensure "balanced representation and expertise" within the RSTC
- Will the RSTC meetings be open?
- Clarify how the RSTC meetings will incorporate the information sharing and awareness that currently occurs at the CIPC meetings

- Suggest we have OC, PC, and CIPC evaluate existing subcommittees and provide a report to the RSTC in March with recommendations for any structural/topic changes.
- Consider an assurance into their process, that the Board be aware of dissenting votes and minority positions on RSC endorsed initiatives.
- Extend the proposed January 2020 implementation date to ensure details in the implementation plan and charter are addressed in a methodical and transparent manner that allows sufficient time for effective change management.
- Canadian representation should be the same as current OC/PC based on NEL.
- Ensure representation from each Interconnection.

- The SET Nominating Committee will recommend initial chair and vice chair for appointment by the Board (November meeting). Both are for two-year terms.
- The SET changed the Participation Model to two members per sector. Sectors will elect or appoint their representatives. For the annual election, any unfilled seats will become At Large until the term expires.
- NERC will then hold Sector elections if needed followed by At Large Nominating process with Nominating Subcommittee as shown in proposal document (above).
- Board to approve slate of RSTC members February 2020.

- Initial terms for Sector and At Large members will be approximately half of the members for two-year terms and half for a three-year term.
- After initial terms, all terms are two-year staggered terms with approximately half of Sector and At Large terms expiring annually.
- The Executive Committee will be elected by the RSTC membership at the first RSTC meeting.
- The SET clarified the goal of having representatives based in each RE's area and each Interconnection.
- The on-going RSTC Nominating Subcommittee will be appointed from the RSTC membership.

- The SET developed a transition plan (Appendix D) to extend the implementation period of the RSTC. The OC, PC, and CIPC will meet in March 2020 with the RSTC having an administrative meeting in March. The full RSTC will meet in June 2020.
- The SET also removed the requirement for executive level experience for the RSTC members.

- Proposed Sector-based and At-Large representation

Name	Voting Members
Sectors 1-10, and 12	22
At Large	10
Chair and Vice Chair	2
Total	34

- Additional Non-Voting Members

Non-Voting Member	Number of Members
NERC Secretary	1
U.S. Federal Government	2
Canadian Federal Government	1
Provincial Government	1
Total	5

- Past meeting agenda/notes packages posted on SET web page
 - <https://www.nerc.com/comm/Pages/Stakeholder-Engagement-Team.aspx>
- September 30, 2019 (8:00 – 5:00) – SET meeting in Chicago; recommended slate for chair and vice chair and finalized charter.
- October 10, 2019 – MRC Informational Session
- October 18, 2019 – Industry Webinar (11:00 am – 12:00 pm)
- November 5, 2019 – Board considers Proposal, Charter, and Transition Plan; if approved, appoints chair and vice chair.
- November 6, 2019 – Open Sector nomination period
- December 6, 2019 – Sector nomination period ends. NERC Staff will conduct Sector elections, if necessary, by December 20, 2019.

- December 9, 2019–January 3, 2020 – Open At Large nomination period. NERC Staff/SET analyzes Sector reps for gaps to be filled by At Large members.
- January 6-15, 2020 – Nominating Subcommittee to develop slate of At Large nominees for presentation to the Board.
- February 6, 2020 – Board appoints RSTC members (Sector and At Large). Terms will expire in June of alternating years following the initial terms with the initial term being two or three years, and thereafter two year terms. RSTC members will be notified of their appointment by the Board.

- February 7–May 29, 2020 – RSTC develops transition plan and work plans for RSTC and subcommittees. Coordinate with committee and subcommittee leadership to ensure work plans are in place and on schedule.
- March 3-4, 2020 – Hold OC, PC, and CIPC meetings as scheduled. The RSTC will meet March 4, 2020 for the inaugural RSTC meeting to establish the Nominating Subcommittee, Executive Committee, and perform other administrative items.
- June 2020 – OC, PC, and CIPC will meet for final work plan approvals and to complete any other approvals. The RSTC will hold initial regular meeting with subcommittee reports and other agenda items.



Questions and Answers

MRC Governance Guidelines

Action

Review

Summary

MRC Governance Guidelines were developed by NERC and the MRC chair and vice chair, with input from MRC members, with the intent of streamlining the following documents that are currently in place and posted on the [‘MRC Related Files’ page](#). The intent is to consolidate the number of documents guiding the MRC down to two – the [NERC Bylaws](#) and the new MRC Governance Guidelines.

- Approved Policy on Minutes of MRC Meetings
- Framework for the Operation of the MRC
- NERC MRC Reference Document

In addition, during the February 2019 MRC meeting, NERC committed to working with the MRC chair and vice chair to develop an MRC policy similar to the NERC Participant Conduct Policy. This is included as section 8 in the MRC Governance Guidelines.

Attachment

1. MRC Governance Guidelines

MEMBER REPRESENTATIVES COMMITTEE GOVERNANCE GUIDELINES

The Member Representatives Committee (the “MRC”) of the North American Electric Reliability Corporation (“NERC” or the “Corporation”) has adopted the following Governance Guidelines to provide a framework for the general governance of the MRC.

The purpose of the Governance Guidelines is to (1) highlight important provisions of the NERC Bylaws in order to facilitate understanding among MRC members of their rights and responsibilities, and (2) provide guidance on the normal operation of the MRC.

1. Role of the Member Representatives Committee

The MRC is not a standing committee of the Corporation, but is elected by the members of the Corporation and is authorized to provide its advice and recommendations directly to the Board of Trustees (the “Board”). The MRC has three primary rights and responsibilities:

- To elect the independent trustees;
- To vote on amendments to the Bylaws; and
- 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.

As part of its responsibility to provide advice and recommendations to the Board, the MRC may divide the responsibility for this activity among its membership. The MRC will periodically evaluate its effectiveness.

2. Size and Election of the Member Representatives Committee

The number of MRC representatives and their election shall be determined as set forth in NERC’s Bylaws, as amended from time to time.

The MRC is comprised of voting and non-voting representatives, as set forth in NERC’s Bylaws. The Board may by resolution create additional non-voting positions on the MRC at the written request of any group of members of the Corporation that believes its interests are not adequately represented on the MRC.

See NERC Bylaws, Article VIII, Section 1

See NERC Bylaws, Article VIII, Sections 2 and 3

See NERC Bylaws, Article VIII, Section 2

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The MRC shall contain a number of Canadian voting representatives, as set forth in NERC's Bylaws. When the Corporation receives recognition from appropriate governmental authorities in Mexico as the electric reliability organization, the NERC Bylaws shall be revised to provide for adequate representation of Mexican interests on the MRC.

See NERC Bylaws, Article VIII, Section 4

The MRC Secretary, with support from the MRC Chair and Vice Chair, will conduct an orientation program for new MRC members prior to the February regular meeting each year.

3. Process for Selection of Member Representatives Committee Chair and Vice Chair

Prior to the annual election of representatives to the MRC, the MRC shall select a Chair and Vice Chair of the MRC from among its voting members by majority vote of the members of the MRC to serve during the upcoming year. The incumbent Chair and Vice Chair shall not vote or otherwise participate in the selection of the incoming Chair or Vice Chair. The newly selected Chair and Vice Chair shall not have been representatives of the same sector. The selection of the Chair and Vice Chair of the MRC shall not be subject to approval of the Board.

See NERC Bylaws, Article VIII, Section 5

4. Duties and Responsibilities of the Member Representatives Committee Chair and Vice Chair

Upon assuming such positions, the Chair and Vice Chair shall cease to act as representatives of the sectors that elected them as representatives of the MRC and shall thereafter be responsible for acting in the best interests of the members of the Corporation as a whole.

See NERC Bylaws, Article VIII, Section 5

The Chair, Vice Chair, or other designated discussion leader is responsible for facilitating discussion of agenda items in the MRC meetings so as to clearly define the differences of opinion that may exist among the discussion participants. During this discussion, the Chair will determine if passage of a resolution by the MRC on the matter is needed and appropriate. Notwithstanding the Chair's determination, an MRC member may call for such determination to be made by majority vote of a quorum present. If such call is moved and seconded, a discussion of the need for and appropriateness of passing a resolution will proceed, and a vote on that need and appropriateness will take

place immediately following that discussion. If a resolution is determined to be needed and appropriate, the Chair will designate at least two MRC members to draft such resolution and bring it before the MRC for discussion and vote.

The Chair of the MRC may call special meetings of the MRC for any purpose and may initiate a call for action without a meeting of the MRC, as set forth in NERC's Bylaws.

See NERC Bylaws, Article VIII, Sections 8 and 12

5. Confidential Information

To the extent permitted by law, each MRC member must maintain the confidentiality of (1) any confidential or proprietary NERC information disclosed or available to the MRC member; (2) any confidential or proprietary information of NERC members, or market participants to which the MRC member has access by virtue of his or her position with the MRC; and (3) any confidential or proprietary information of others that has been provided to the MRC on condition of confidentiality.

6. Representation Policy

Individual MRC members should act in a manner that recognizes that they do not represent NERC, nor are they authorized to speak or communicate on behalf of NERC, unless authorized to do so by the NERC Board Chair or CEO, and should provide such a disclaimer if identifying themselves as an MRC member to the press, at speaking engagements, or through any other public communications.

7. Meetings of the Member Representatives Committee

Meetings (face-to-face and by teleconference) of the MRC shall be open to the public, subject to reasonable limitations such as the availability and size of meeting facilities; provided that the MRC may meet in or adjourn to closed session where the subject matter of the meeting so warrants, consistent with the provisions of NERC's Bylaws and these Governance Guidelines.

See NERC Bylaws, Article VIII, Section 10

The MRC will hold regular meetings each year and will hold additional special meetings as needed.

See NERC Bylaws, Article VIII, Sections 7 and 8

The MRC will hold a special meeting by teleconference about four weeks before each regular meeting of the MRC. The purpose of this special meeting is to discuss (1) the draft agenda for the regular meeting and (2) review topics of particular interest to the

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Board for policy input from the MRC in order to facilitate sector discussions on those topics prior to the regular meeting. The MRC Chair, Vice Chair, and Secretary will establish the date and time for this special meeting when the date and time for the regular MRC meeting is set and should be timed to allow subsequent sector meetings on the subject matter of the next regular MRC meeting.

a. Preparation for Meetings

The MRC Secretary should make materials required for the conduct of the regular meeting, including the final meeting agenda with supporting materials, available at least two weeks in advance of the regular meeting.

Reports to the MRC by NERC management on the status of NERC programs and projects should ensure transparency, ease comprehension of the materials provided, and cover topics that are most important to the members of the Corporation. Large volumes of material provided by NERC management should be accompanied by executive summaries.

b. Setting of Member Representatives Committee Agenda

The Chair and Vice Chair of the MRC shall prepare the agenda for each meeting in consultation with the members of the MRC, the Board, NERC staff, and others as needed.

The MRC Chair and Vice Chair should coordinate with the Board Chair and Vice Chair on the placement of purely informational items (*i.e.*, items that do not require any action by either body, such as status reports from NERC management) into the MRC and Board agendas for their regular meetings so that these items are not duplicated in each meeting. In their respective meetings, the MRC and Board should accommodate questions and comments from members of the other body during the discussion of such informational items.

The meeting agenda will tag all agenda items by the type of action expected of the MRC at the meeting. Types of action generally include, but are not limited to, the following:

1. Receive information and seek clarification;
2. Discuss and advise the Board or NERC management; or
3. Decide by vote.

c. Types of Meetings

In general, a meeting of the MRC shall be conducted as one of the following types of meetings:

- **Open Meeting.** The public may attend and observe the deliberations of the MRC during such meetings or portion of the meetings. The public may participate during the meeting in the sole discretion of the presiding officer for the meeting.
- **Closed Meeting.** The public may not attend or observe the deliberations of the MRC. The MRC may invite particular persons to participate in a closed meeting where such participation would further the business of the MRC. At least one NERC staff member shall be present to record any necessary minutes of such meeting.

d. Criteria for Holding Closed Meetings

A meeting or a portion of a meeting may be closed to discuss matters of a confidential nature, including but not limited to personnel matters, compliance and enforcement matters, litigation, or commercially sensitive or critical infrastructure information of any entity, as contemplated by NERC’s Bylaws.

See NERC Bylaws, Article VIII, Section 10

e. Procedures for Meetings

Notice of the dates, places, times and status of meetings of the MRC shall be provided by NERC in accordance with the requirements of NERC’s Bylaws and applicable law. NERC will post all non-confidential material for any meeting within 24 hours of when such material is provided to the MRC.

See NERC Bylaws, Article VIII, Section 10

For open meetings by teleconference, NERC will provide audio conferencing that includes two levels of access: one for meeting participants (e.g., MRC officers, Board members, and presenters) and another for MRC members and the public. Meeting participants will be able to hear and speak to each other. MRC members and the public will have listen-only access to the teleconference, but can ask questions or otherwise participate when prompted. NERC will provide the appropriate dial-in numbers with the meeting agenda.

The MRC may, in accordance with the NERC Bylaws, take action without a meeting pursuant to written consent.

See NERC Bylaws, Article III, Section 12

f. Conduct of Meetings

Trustees in attendance at an MRC meeting are encouraged to ask questions and seek clarification of positions expressed by MRC members during MRC discussions.

Other persons who are not MRC members in attendance at an MRC meeting may be invited to comment at the discretion of the Chair, who should take into account both the MRC's desire for inclusiveness and the need to keep MRC meetings focused to make best use of the members' time.

When the MRC wants a formal response from the Board to MRC recommendations or advice, it should formally request such a response when conveying the recommendation or advice to the Board.

g. Minutes of Meetings

The MRC Secretary shall keep and post written minutes of each meeting. Minutes should contain the following information unless otherwise agreed to by NERC's General Counsel:

- Place, date and time of meeting
- When and how notice was given
- Meeting chair and vice chair present
- List of attendees and whether quorum was present
- Statement that minutes from prior meeting were reviewed, amended if necessary, and approved
- Description of the substance of matters discussed (presentations and written materials considered should be included as exhibits, if feasible, or specifically identified and incorporated by reference)
- Statement of specific actions taken (including, where the required number of affirmative votes is other than a simple majority, the number of votes for and against)

In general, minutes are not a transcript of the meeting. The minutes should be in sufficient detail to apprise the reader of the general tenor and scope of the discussion (including minority positions), without attempting to record the statements or opinions of each person speaking. Since a primary purpose of the MRC is to advise the Board on policy matters, emphasis in the minutes should be on the specific advice offered by the MRC.

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This policy is not intended to change existing policies with respect to confidentiality of data. Minutes of non-public meetings should be kept on a non-public basis or prepared in a manner that does not disclose non-public information. The MRC Secretary shall post a copy of draft minutes to the NERC website and make the minutes available to each MRC member promptly after each meeting. Minutes from one meeting should be reviewed, amended (if necessary), and approved at the following meeting. The MRC Secretary shall post a copy of the final minutes to the NERC website upon approval by the MRC.

8. Guidelines for Participant Conduct and Use of NERC Email Lists

MRC members shall conduct themselves in a professional manner at all times. This includes in-person conduct and any communication, electronic or otherwise, made as a participant in NERC activities. MRC members shall not use NERC activities for commercial purposes or for their own private purposes, including, but not limited to, advertising or promoting a specific product or service, announcements of a personal nature, sharing of files or attachments not directly relevant to the purpose of the NERC activity, and communication of personal views or opinions, unless those views are directly related to the purpose of the NERC activity.

MRC members also shall not distribute work product developed during the course of NERC activities if distribution is not permitted by NERC (e.g., an embargoed report), provided that NERC, may grant in writing a request by an MRC member to allow further distribution of the work product to one or more specified entities within its industry sector if deemed to be appropriate. Any MRC member that distributes work product labeled “embargoed,” “do not release,” or “confidential” (or other similar labels) without written approval for such further distribution would be in violation of these guidelines.

MRC members shall not use NERC-provided listservs for any price-fixing, division of markets, and/or other anti-competitive behavior. Recipients and participants on NERC listservs may not utilize NERC listservs for their own private purposes. This may include lobbying for or against pending balloted standards, announcements of a personal nature, sharing of files or attachments not directly relevant to the listserv group’s scope of responsibilities, or communication of personal views or opinions, unless those views are provided to advance the work of the

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listserv's group. Any offensive, abusive, or obscene language or material shall not be sent across the NERC listservs.

9. NERC Support of the Member Representatives Committee

NERC should provide administrative staff to support the operation of the MRC and the MRC members' engagement of their sector members. These NERC staff are responsible for anticipating and providing for the MRC members' information and communication needs.

In addition, NERC should support MRC activities by facilitating teleconferences, securing meeting spaces for in-person meetings, and providing a location on its website to share agendas, minutes, presentations, and related materials relevant to the MRC.

10. Amendments to these Guidelines

These Governance Guidelines may be amended by the MRC from time to time. The MRC members shall periodically review these Governance Guidelines and recommend any amendments to the MRC.

Approved by the Member Representative Committee [DATE]

Electromagnetic Pulse (EMP) Task Force Strategic Recommendations Report Update

Action

Information

Background

Protecting the Bulk Power System and assuring effective reduction of reliability risk is integral to the Electric Reliability Organization mission. Recognizing the risk potential from Electromagnetic Pulses (EMPs), NERC launched efforts to identify reliability concerns associated with EMPs and potential methods for promoting resilience. NERC created the task force in April 2019 to first identify key issues and scope areas of improvement for the industry. The task force was announced at the May MRC meeting, and since then the task force has conducted numerous meetings, including a technical workshop in July. On August 30, the task force issued a draft report outlining strategic recommendations to better understand and address EMP risk. The informal comment period on the strategic recommendations closes on September 30, and the final recommendations are being presented to the NERC Board of Trustees in November.

EMP Task Force Webpage

<https://www.nerc.com/pa/Stand/Pages/EMPTaskForce.aspx>

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EMP Task Force Strategic Recommendations Report Update

Howard Gugel, Vice President of Engineering and Standards
MRC Informational Session
October 10, 2019

RELIABILITY | RESILIENCE | SECURITY



- **May 2019:** NERC launched a Task Force to identify reliability concerns associated with EMPs and potential methods for promoting resilience
- The Task Force advises NERC, regulators, Regional Entities, and industry stakeholders to establish a common understanding of the scope, priority, and goals for the **development of next-steps to address resilience to HEMP events**



Key Task Force Milestones – Phase 1



- May 20: Introductory call for task force
- June 12: Initial face-to-face meeting in Washington, D.C.
- July 25: NERC EMP Technical Workshop in Atlanta, GA
- August 27: NERC EMP Task Force Meeting (finalize strategic recommendations) in Atlanta, GA
- August 30: NERC issues EMP Strategic Recommendations for industry comment
- September 30: NERC comment period ends
- November 5: NERC Board of Trustees acceptance of final EMP Strategic Recommendations

- The Task Force has broken up the topic of EMP as it relates to the utility industry in the following categories:
 - **Policy** – What needs to be clearly defined by industry and federal government
 - **Research** – What research is needed to prudently inform utilities that need to make decisions
 - **Vulnerability Assessments** – How the utility industry takes the policy and research to understand its vulnerability
 - **Mitigation Guidelines** – Fundamental suggestions and guidelines on prudent mitigation strategies
 - **Response and Recovery** – Based on the vulnerability assessments and applicable mitigation guidelines for any impacted facilities, how does a utility respond and recover



Questions and Answers