

## **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*

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, or, other than the MRC Chair, the MRC, 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 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, when possible.

The MRC requests that reports by NERC management on the status of NERC programs and projects ensure transparency, ease comprehension of the materials provided, and cover topics that are most important to the members of the Corporation and that 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 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. NERC will provide the appropriate logistics (i.e., location for in-person meetings, dial-in numbers for teleconferences) with the meeting agenda.

See NERC Bylaws, Article VIII, Section 10

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. Because 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.

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 or business 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 will 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 or business 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

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

If a participant does not comply with these Guidelines for Participant Conduct and Use of NERC Email Lists, certain reasonable restrictions may be imposed, including removal from meetings or teleconferences, restrictions on the use of NERC-administered listservs or other restrictions, up to permanent removal from participation on a NERC or MRC committee or other NERC or MRC activity.

### **9. NERC Support of the Member Representative 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  
November 5, 2020**