

Agenda

Member Representatives Committee

August 16, 2023 | 4:30 p.m. – 6:00 p.m. Eastern
In-Person Meeting

In-Person

Westin Ottawa Hotel
11 Colonel By Dr.
Ottawa, ON K1N 9H4, Canada

Virtual Attendees

[Webinar Link](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Consent Agenda

1. **Minutes - (Approve)**
 - a. May 10, 2023 Meeting*
 - b. July 24, 2023 Conference Call*

Regular Agenda

2. **Schedule for MRC Officer and Sector Elections***
3. **General Updates and Reports**
 - a. Board of Trustees Nominating Committee Update*
 - b. Business Plan and Budget Input Group Update*
 - c. Update on FERC Activities*
 - d. MRC Effectiveness Review Update*
4. **Discussion Items**
 - a. Board Invitation for MRC Input*
 - b. Additional Discussion on August 16 Board Committee Meetings*
 - i. Technology and Security Committee
 - ii. Compliance Committee
 - iii. Corporate Governance and Human Resources Committee
 - iv. Finance and Audit Committee Meeting

- c. Additional Discussion on August 16 Technical Session*
- d. MRC Input and Advice on August 17 Board Agenda Items*
- e. Compliance and Certification Committee Role in Monitoring Stakeholder Perceptions*

Informational Items

5. Future Meetings*

6. Regulatory Update*

*Background materials included.

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

DRAFT Minutes**Member Representatives Committee**

May 10, 2023 | 4:00 p.m. – 6:00 p.m. Eastern
Hybrid Meeting

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

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

Chair Jennifer Flandermeyer, with Vice Chair John Haarlow present, called to order a duly noticed meeting of the Member Representatives Committee (MRC) of the North American Electric Reliability Corporation (NERC) on May 10, 2023, at 4:00 p.m., Eastern, and a quorum was declared present. The agenda and MRC members and their proxies in attendance are attached as **Exhibits A** and **B**, respectively.

Introduction and Chair's Remarks

Ms. Flandermeyer welcomed MRC members and virtual attendees, acknowledging the NERC Board of Trustees (Board), Pat Hoffman from the Department of Energy, David Ortiz from the Federal Energy Regulatory Commission (FERC), and Anna Le from the Canada Energy Regulator. Ms. Flandermeyer acknowledged Paul Choudhury and congratulated him on his upcoming retirement. She thanked Mr. Choudhury for his contributions to the MRC, including as past chair and vice chair and participation on many sub-groups. A special election will be held to fill the remainder of his term.

NERC Antitrust Compliance Guidelines and Public Announcement

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

Minutes

Upon motion duly made and seconded, the MRC approved the minutes of the February 15, 2023, and April 12, 2023, meetings as presented at the meeting.

Future Meetings

The schedule of future meeting dates was included in the agenda package. Mr. DeFontes noted that the August meetings will be held in-person in Ottawa, Ontario, Canada. The Board will evaluate the meeting rhythm and platforms in 2024.

Board of Trustees Nominating Committee Update

Bob Clarke, chair of the Board Nominating Committee (BOTNC), noted that there are four Trustees with terms ending in February 2024, with all eligible for re-election. Feedback from the MRC on the Trustees up for re-election is welcome. In August, the BOTNC will review and discuss the Board nominating and election process, including the BOTNC's roles and responsibilities.

Business Plan and Budget Input Group Update

Mr. Haarlow, chair of the business plan and budget (BP&B) input group, provided an update on BP&B input group discussions. The input group met twice since the last update and recently welcomed Joel Dembowski as a new member. During the recent meetings, the input group reviewed its guiding principles and received an update from NERC on its 2024 BP&B development, including the proposed budget and assessment for 2024 and projected budget and assessment for 2025. The input group also discussed steps NERC is taking to assess office space needs in anticipation of the Atlanta lease expiring in 2025, progress on NERC's 2023 Work Plan Priorities and the benefits they provide to NERC and industry, synergies between NERC and federal programs, attrition rate assumptions and the market demand for technical expertise, and pros and cons of a remote workforce along with needs for in-person meetings and collaboration.

Mr. Haarlow reminded attendees that NERC's 2024 BP&B will be posted for industry comment at the end of May and the NERC Board Finance and Audit Committee will host a webinar on June 1, 2023, to review the NERC and Regional Entity 2024 BP&Bs.

Update on FERC Activities

David Ortiz, director, office of electric reliability at FERC, provided an update on the following FERC reliability activities: Chairman Phillips' priorities of reliability, affordability, and sustainability; FERC orders on cold weather standards (EOP-011 and EOP-012), supply chain revisions for low-impact cyber systems (CIP-003-9), and incentive-based rate treatment for utilities making certain voluntary cybersecurity investments; NERC's report on the effectiveness of the physical security Reliability Standard (CIP-014-3); and March 29, 2023, Commission-led roundtable on environmental justice and equity.

Regulatory Update

Ms. Flandermeyer noted that the regulatory update was included in the posted agenda package and will be included as an informational item only going forward.

Report on the May 9 Closed Meeting

Ms. Flandermeyer provided a summary of the May 9 closed meeting, which focused on a strategic discussion on the MRC effectiveness review results and feedback on NERC Board effectiveness. In February 2023, the MRC established a sub-team to evaluate the MRC's effectiveness in executing its responsibilities. The sub-team conducted separate listening sessions of each of the MRC's eleven voting Sectors, NERC Trustees Ken DeFontes and Suzanne Keenan, and members of the NERC Finance team, in addition to offering non-voting members to provide input at their discretion. Based on the input received, the MRC effectiveness team identified themes, initial recommendations, and areas for additional discussion. In addition to discussion on MRC effectiveness, Board and MRC members had a candid conversation on the feedback from the 2023 evaluation of Board effectiveness. Board and MRC members expressed appreciation for the discussions at the closed meeting.

The MRC unanimously endorsed the initial recommendations and initiation of an evaluation around areas for additional discussion resulting from the MRC effectiveness review as presented during the closed meeting (**Exhibit C**). The MRC will convene small teams to evaluate the areas identified for additional discussion.

Responses to the Board's Request for Input

Ms. Flandermeyer acknowledged the MRC's responses to Mr. DeFontes' April 5, 2023, letter requesting input on efforts to address effectiveness and efficiency in the standards development process, in addition to the preliminary agenda topics for the May meetings. Responses to the letter are [posted](#) on the NERC website.

Efforts to Address Effectiveness and Efficiency

Mark Lauby, senior vice president and chief engineer at NERC, summarized input received and highlighted support for NERC to improve its processes and be agile with a desire for increased communication and engagement, requests for NERC to be mindful of rate recovery and cost implications, and concerns that stakeholders are overwhelmed by projects and did not feel their input was heard during recent revisions to the Standard Processes Manual.

Ms. Flandermeyer also highlighted themes from the input around building engagement earlier in the standards development process, gaps in coordination between segments and sectors, better identification of a standard's value, providing additional information and context to ensure stakeholders understand what they're voting on, and outreach with stakeholders at multiple levels.

MRC members reinforced comments provided in written input, focusing on the need to clarify the issue being addressed by a standard or standard revision early in the process, improve communications between NERC and stakeholders, improve communications and coordination within organizations and across sectors and segments, and improve prioritization.

Additional Discussion on May 10 Board Committee Meetings

Ms. Flandermeyer reminded attendees that full presentations were conducted at the Board committee meetings and would not be repeated during the MRC meeting. An MRC member suggested a report on advice resulting from the cold weather small group advisory sessions at the next Board Compliance Committee meeting. Attendees did not have any additional comments related to the Board's Compliance, Technology and Security, and Corporate Governance and Human Resources Committee meetings.

Additional Discussion on May 10 Technical Session

Attendees did not have additional comments on the items discussed during the May 10 Technical Session.

MRC Input and Advice on May 11 Board Agenda Items

Attendees did not have any other comments on the topics included on the Board's agenda for its meeting the next day.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko
Secretary

DRAFT Minutes**Member Representatives Committee
Informational Session**

July 28, 2023 | 11:00 a.m. – 12:30 p.m. Eastern

Introduction and Chair's Remarks

Chair Jennifer Flandermeyer convened a duly-noticed open informational session of the North American Electric Reliability Corporation (NERC) Member Representatives Committee (MRC) via teleconference on July 28, 2023, at 11:00 a.m., Eastern. The meeting announcement and agenda are attached as **Exhibits A and B**, respectively.

Ms. Flandermeyer introduced a modified structure for the MRC informational sessions in response to feedback received during a review of MRC's effectiveness earlier in the year. Going forward, MRC Informational Sessions will focus on sharing more background and context around NERC governance and activities in a digestible, interactive format, along with a review of preliminary agenda topics for the upcoming MRC, Board of Trustees (Board), Board Committee, and Technical Session meetings.

NERC Antitrust Compliance Guidelines and Public Announcement

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

Effective Stakeholder Engagement with NERC

Ms. Flandermeyer introduced this item, which is intended to provide additional context and information around NERC's stakeholder model and the role of the Standing Committee Coordinating Group (SCCG).

NERC's Stakeholder Model

Sonia Rocha, senior vice president, general counsel, and corporate secretary at NERC, provided an overview of NERC's organizational framework for stakeholder engagement, focusing on roles and responsibilities of NERC membership and the Registered Ballot Body. Ms. Rocha also highlighted to roles of the MRC and NERC standing committees in the NERC governance framework and the important roles they serve. The [presentation](#) is posted with the agenda package on the NERC website.

SCCG Update

Todd Bennett, Standards Committee chair and SCCG co-chair, provided an overview of the SCCG which supports coordination among the NERC standing committees on cross-cutting matters of importance to bulk power system (BPS) reliability, security, and resilience. Mr. Bennett also highlighted the SCCG's work in implementing recommendations from the Standards Process Stakeholder Engagement Group approved

by the Board at its November 16, 2022, meeting. The [presentation](#) is posted with the agenda package on the NERC website.

Review of Third Quarter Meeting Schedule and Preliminary Agenda Topics

Ms. Rocha and Ms. Flandermeyer reviewed the meeting schedule and highlighted key agenda topics for the MRC, Board, Board Committee, and Technical Session meetings being held on August 16-17, 2023 in Ottawa, Ontario, Canada. A complete list of preliminary agenda topics for the August 2023 meetings were included in the posted agenda package. MRC members should review all agenda materials for the Board and Board Committee meetings and technical session, once posted and available, and attend as many of these meetings as possible.

Input Letter Reminder

Ms. Flandermeyer announced that the Board's request for MRC input was issued on July 12, 2023, and responses are due by Wednesday, August 2, 2023, to Kristin Iwanechko, MRC Secretary. Ken DeFontes, Board chair, provided an overview of the request in the input letter for general input on any items the MRC wishes to bring to the Board's attention. The Board also requested input on the preliminary agenda topics for the August 16-17, 2023, meetings included with the input letter. There will be time dedicated on the MRC's August 16, 2023, agenda for MRC members to provide input and advice on the Board agenda items after the final package has been posted.

Proxy Reminder

Proxy notifications for the August 16, 2023, meeting must be submitted in writing to Ms. Iwanechko.

Meeting Adjourned

There being no further business, the call was terminated.

Submitted by,



Kristin Iwanechko
Secretary

Schedule for MRC Officer and Sector Elections

Action

Information

Background

Chair Jennifer Flandermeyer will announce the upcoming nomination and election cycle for the Member Representatives Committee (MRC) officers and those members whose terms expire in February 2024. The tentative schedule is shown below.

MRC Officer Elections

Thursday, August 31 – nomination period opens

Friday, September 29 – nomination period closes

October TBD – election of officers for following year by current MRC members

MRC Member Sector Nominations and Elections

Thursday, August 31 – nomination period opens

Monday, October 30 – nomination period closes

Monday, November 27 – election begins

Friday, December 8 – election ends

Reference Links

[Membership of the MRC for 2023-2025](#)

[NERC Bylaws](#)

Board of Trustees Nominating Committee Update

Action

Information

Summary

The following MRC members are serving on this year's Board of Trustees Nominating Committee (BOTNC):

1. **Jennifer Flandermeyer** – MRC Chair
2. **John Haarlow** – MRC Vice Chair
3. **Joel Dembowski** – Investor-Owned Utility (Sector 1)
4. **John Twitty** – State/Municipal Utility (Sector 2)
5. **Jason Marshall** – Cooperative Utility (Sector 3)

Robert G. Clarke, chair of the BOTNC, will provide an update on BOTNC activities.

Business Plan and Budget Input Group Update

Action

Information

Summary

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

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

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

Summary

The Input Group has met once since the last update to the MRC. On July 24, 2023, the Input Group received an update from NERC on its final 2024 BP&B, including the proposed changes from the draft that was posted for stakeholder comment on May 25, 2023. The update focused on the impacts to the 2023 budget and proposed 2024 BP&B related to the Interregional Transfer Capability Study (ITCS) Congress mandated NERC to complete on June 5, 2023, to be delivered to FERC by December 2, 2024. These impacts include a combination of deferrals/repurposing of funds and reserve usage in 2023 and 2024 to fund ITCS resources and expenses without impacting 2023 assessments or the 2024 assessment proposed in the draft 2024 BP&B. Discussion among Input Group members focused on clarifying the need for permanent resources to build long-term transfer study capabilities, what work is being deferred, impacts to the Regional Entity budgets, and NERC's position on seeking other funding sources for ITCS costs.

NERC's proposed final 2024 BP&B will be reviewed with the FAC during its meeting on August 16, 2023. John Haarlow, chair of the BP&B Input Group, will also provide an update to the MRC on behalf of the group at the MRC meeting that will follow the FAC meeting on August 16.

Update on FERC Reliability Matters

Action

Information

Summary

At the August 16, 2023, MRC meeting, David Ortiz, Director, Office of Electric Reliability (OER), FERC, will provide an update on recent FERC activity.



Update on FERC Activities

David Ortiz, Director, Office of Electric Reliability

August 16, 2023

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

Major FERC Reliability Activities Since May 2023

- Joint Inquiry into Winter Storm Elliott
- FERC Issuances:
 - IBR Registration Work Plan
 - Extreme Weather Final Rules
 - Final Rule on Interconnection Procedures
- Technical Conferences
 - Physical Security Tech Conference
 - Annual Reliability Tech Conference



Status Update on FERC-NERC Joint Inquiry into Winter Storm Elliott

- At the June 15 Commission Meeting, FERC, NERC and RE Joint Team provided a status update on the inquiry.
- Consistent themes include:
 - Need for generating unit cold weather preparedness,
 - Natural gas – electric interdependencies, and
 - Need for grid operations preparedness (e.g., load forecasting, grid emergencies).
- Continuing to implement the recommendations of past inquiry reports could have helped mitigate the effects of Elliott and recommendations should be implemented now to prepare for the coming winter.
- [December 2022 Winter Storm Elliott Joint Inquiry into BPS Operations in Docket No. AD23-8](#)



FERC Approved NERC's IBR Registration Work Plan

- As directed by FERC in the November 17, 2022, order, NERC filed an IBR Registration Work Plan that sets forth NERC's three-phased approach to identify and register certain unregistered IBRs
- On May 18, 2023, the Commission approved NERC's IBR Registration Work Plan in Docket No. RD22-4-001.
 - First quarterly Work Plan update was due on August 14, 2023.



FERC Approved Extreme Weather Final Rules on June 15

- [Order No. 896](#), Transmission System Planning Performance Requirements for Extreme Weather. Docket No. RM22-10 issued June 15, 2023.
 - Directs NERC to develop a new or modified reliability standards for transmission planning no later than 18 months after rule is published in Federal Register
 - The new or modified standard shall include
 - Development of benchmark planning cases based on prior events using steady state and transient stability analyses that cover a range of extreme weather scenarios, including the expected resource mix's availability during extreme weather conditions and the broad area impacts of extreme weather
 - Corrective action plans that include mitigation activities for specified instances where performance requirements during extreme heat and cold events are not met
 - NERC must submit the new or revised reliability standards by December 23, 2024.
- [Order No. 897](#), One Time Reports on Extreme Weather Vulnerability Assessments. Docket Nos. RM22-16 and AD21-13 issued June 15, 2023.
 - Directs transmission providers to file one-time informational reports describing how they conduct extreme weather vulnerability assessments, if at all
 1. Establish a scope
 2. Develop inputs
 3. Identify vulnerabilities and exposure to extreme weather hazards
 4. Estimate the costs of impacts
 5. Use the results of vulnerability assessments to develop risk mitigation measures.
 - One-time informational report is due by October 25, 2023.



Order No. 2023: Improvements to Generator Interconnection Procedures and Agreements

- On July 27, 2023, the Commission approved Order No. 2023, Improvements to Generator Interconnection Procedures and Agreements. Docket No. RM22-14.
- Adopts reforms to both the pro forma Large and Small Generator Interconnection Procedures and Agreements to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies.
- Major reforms include:
 - **First-ready, First-served Cluster Study Process** -- Transmission providers will conduct larger interconnection studies encompassing numerous proposed generating facilities, rather than separate studies for each individual generating facility.
 - **Speed-up Interconnection Queue Processing** -- The final rule imposes firm deadlines and establishes penalties if transmission providers fail to complete interconnection studies on time. Establishes detailed affected systems study process.



Order No. 2023: Revised LGIA/SGIA Includes Key Reliability Provisions

- **Modeling** -- Requires each interconnection customer requesting to interconnect a non-synchronous generating facility to submit to the transmission provider:
 1. a validated, user-defined RMS positive sequence dynamic model;
 2. an appropriately parameterized, generic library RMS positive sequence dynamic model, including a model block diagram of the inverter control system and plant control system, that corresponds to a model listed in a new table of acceptable models or a model otherwise approved by WECC; and
 3. a validated EMT model, if the transmission provider performs an EMT study as part of the interconnection study process.
- Models must be updated as project components are changed, which ensures that the model of the proposed generating facility is accurate throughout the interconnection study process reducing the need to perform additional studies.
- **Ride Through** – Requires interconnection customers requesting to interconnect a non-synchronous generating facility to set controls and protection to ride-through abnormal frequency and voltage conditions to address challenges associated with momentary cessation.



Technical Conferences

- August 10th [Joint Technical Conference Regarding Physical Security of the Bulk-Power System](#) in Docket RD23-2 hosted by NERC
 - Recommended by [NERC Physical Security Report](#)
 - Part 1: Effectiveness of Reliability Standard CIP-014-3
 - Applicability
 - Minimum Level of Security Protection
 - Part 2: Solutions Beyond CIP-014-3
 - Best Practices and Operational Preparedness
 - Grid Planning to Respond to and Recover from Physical and Cyber Security Threats, and Potential Obstacles
- Date coming soon – Annual Reliability Technical Conference



MRC Effectiveness Review Update

Action

Information

Summary

Earlier this year, the MRC established a sub-team to conduct a review of the MRC's effectiveness. The sub-team identified themes, initial recommendations, and areas for additional discussion that were shared and discussed during the May 2023 meetings. At the May 10, 2023, meeting, the MRC unanimously endorsed the initial recommendations and initiation of an evaluation around areas for additional discussion resulting from the MRC effectiveness review.

At the August 16, 2023, MRC meeting, Jennifer Flandermeyer, chair of the MRC, will provide an update on efforts to address the results from the effectiveness review.

Board Invitation for MRC Input

Action

Discussion

Background

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

Summary

For this quarter, the Board requested input from the MRC on any areas that it feels important to bring to the Board's attention or on which to request additional discussion. In addition, the Board requested input on preliminary Board, Board Committee, Technical Session, and MRC agenda topics. On August 16, 2023, the MRC can expect to participate in discussion on the responses received from the input request.

The input letter with its attachments and responses are posted with the Board's [August 2023 meeting materials](#).

Additional Discussion on August 16 Board Committee Meetings

Action

Discussion

Summary

On August 16, 2023, the Member Representatives Committee (MRC) will have additional time for discussion, as part of its own agenda, to respond to the information that is presented during the August 16, 2023, Board Committee meetings. Staff presentations made at the Board Committee meetings will not be duplicated at MRC meeting.

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

[Technology and Security Committee](#)

[Compliance Committee](#)

[Corporate Governance and Human Resources Committee](#)

[Finance and Audit Committee](#)

Additional Discussion on August 16 Technical Session

Action

Discussion

Summary

On August 16, 2023, the Member Representatives Committee (MRC) will have additional time, as part of its own agenda, to discuss the information that is presented during the August 16, 2023, Technical Session. Presentations made at the Technical Session will not be duplicated at the MRC meeting.

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

[Technical Session](#)

MRC Input and Advice on August 17 Board Agenda Items

Action

Discussion

Background

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

In the input letter issued on July 12, 2023, the NERC Board of Trustees (Board) requested comments on the preliminary agenda topics for the May Board meeting that were reviewed during the July 28, 2023, MRC Informational Session. At the August 17, 2023, meeting, MRC members should come prepared to provide input on behalf of their sectors on the Board’s formal agenda package posted on August 3, 2023, on the following webpage:

[Board of Trustees](#)

Compliance and Certification Committee Role in Monitoring Stakeholder Perceptions

Action

Discussion

Background

The [Compliance and Certification Committee \(CCC\)](#) is a stakeholder committee appointed by the NERC Board of Trustees that engages with, supports, and advises the Board and NERC regarding the NERC Compliance Monitoring and Enforcement Program (CMEP), Organization Registration and Organization Certification program (ORCP), and the Reliability Standards development program in accordance with the NERC Rules of Procedure.

One of the functions performed by the CCC per its charter is to provide balanced discussion, comments, and recommendations to the NERC Board and NERC staff on stakeholders' perceptions of the policies, practices, and effectiveness of the CMEP and ORCP. The CCC procedure ([CCCPP-008-3](#)) for the *Program for Monitoring Stakeholders' Perceptions* describes the program and associated process used by the CCC to carry out this responsibility.

Summary

During the August 16, 2023, MRC meeting, Scott Tomashefsky, chair of the CCC, will provide an overview of the development of the annual [Stakeholder Perceptions Feedback Report](#), including the role of the CCC in preparing the document and the value that it is intended to provide to the ERO Enterprise. While the CCC does not report to the MRC, when the current approach for monitoring stakeholder perceptions was developed, the CCC committed to sharing information on stakeholder perceptions to and solicit input on focus areas from the MRC.

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Industry Stakeholder Perception Feedback Update

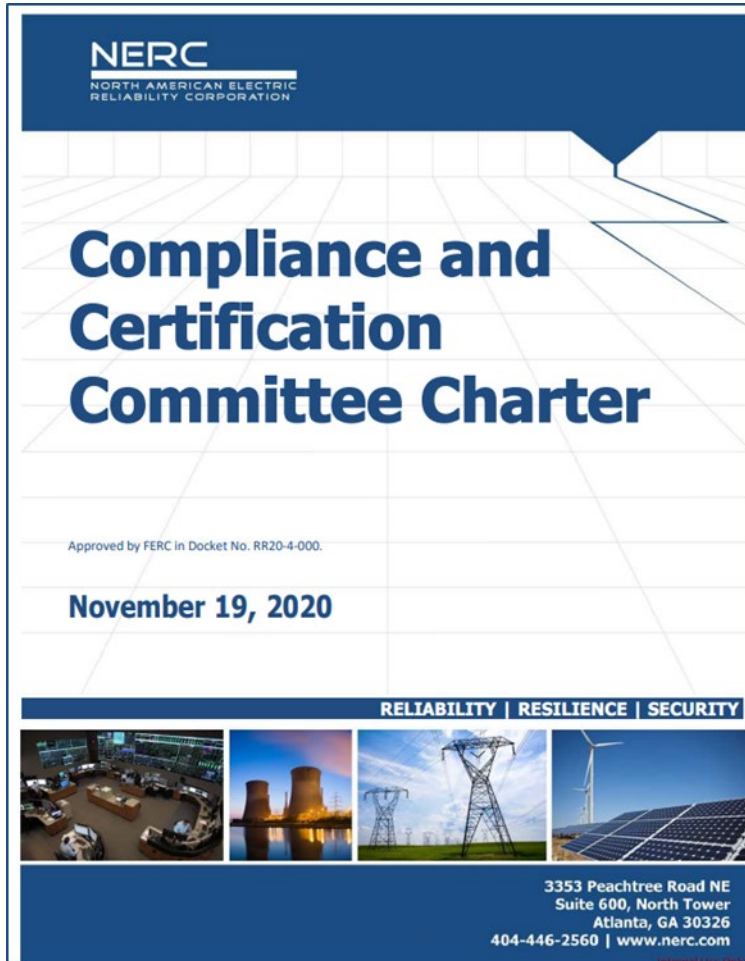
Scott Tomashefsky – Chair, Compliance and Certification Committee
Member Representatives Committee
August 16, 2023

RELIABILITY | RESILIENCE | SECURITY



- CCC Overview
 - Role in obtaining feedback from industry
- What Happened to the ERO Enterprise Stakeholder Survey?
- Overview of Stakeholder Perceptions Feedback Report
- Value of Industry Feedback in Addressing Risk

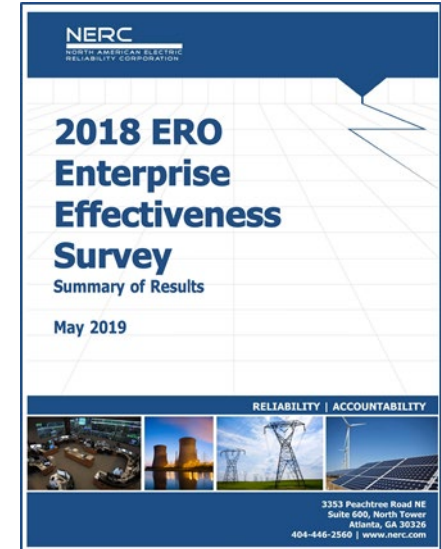




- Establishes and implements programs to monitor NERC’s adherence to the Rules of Procedure for Programs encompassing Compliance Monitoring and Enforcement, Registration and Certification, and Reliability Standards Development.
- Engages with, supports, and advises the NERC Board of Trustees and its committees regarding the programs referenced above.
- Collaborates in numerous projects, programs and outreach efforts to bring industry expertise in support of ERO program success.

Industry feedback plays a key role in this effort

- CCC Stakeholder Perception Feedback Survey part of broader ERO Effectiveness Study
 - Last conducted July 2018, Report completed in 2019
 - 70+ question survey producing limited value for NERC and the ERO Enterprise
 - ERO Enterprise Effectiveness Survey eliminated
- Approach Revised in Early 2020
 - CCC Stakeholder Perception Feedback Program created
 - CCC procedure for Monitoring Stakeholder Perceptions updated to conform with feedback program (CCCPP-008)
 - Engagement with MRC Members on revised approach
- CCC Executes New Program in 2021
 - First Report finalized in May 2022



- CCC uses a variety of tools to obtain feedback from stakeholders
 - Surveys on Specific Areas or Initiatives
 - Focus Group Discussions
 - Regional Entity Feedback
 - Industry Organizations
 - Direct Stakeholder Input
 - CCC Members on Behalf of their Sector or Affiliated Groups

Feedback can be initiated by the NERC Board of Trustees or its Committees

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RELIABILITY CORPORATION

Program for Monitoring Stakeholders' Perceptions

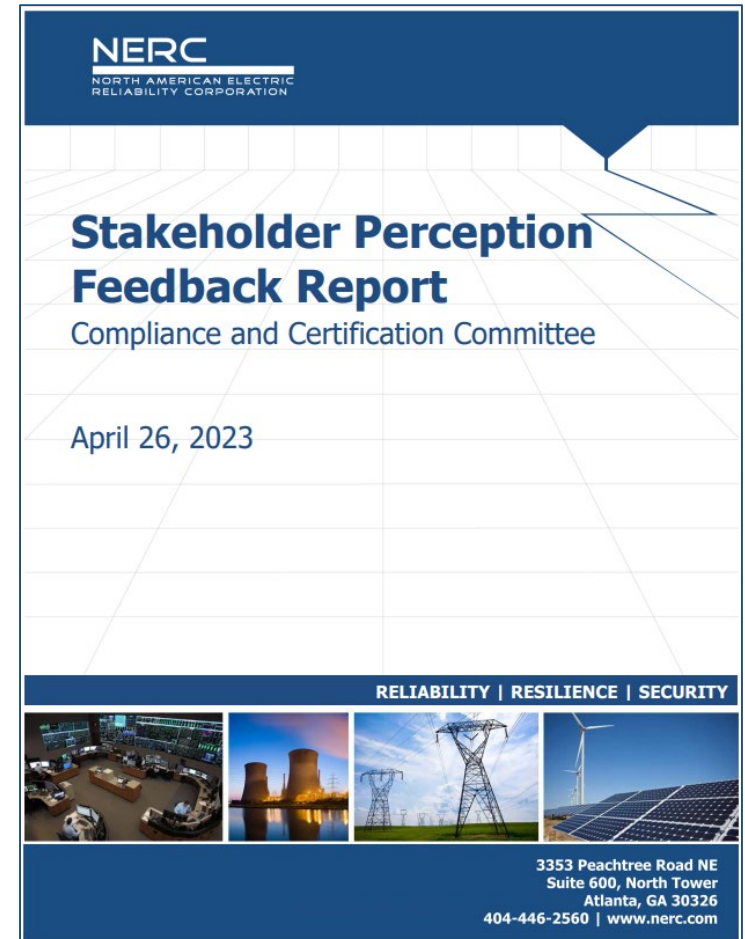
CCC Monitoring Program – CCCPP-008-3

November 16, 2022

RELIABILITY | RESILIENCE | SECURITY

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- Stakeholder Perception Feedback Report prepared each year and presented to the EWRC
- Emphasis on CMEP and ORCS issues
- Primarily driven by focus group discussions held at quarterly CCC meetings



- Focused Discussion:
 - Compliance Oversight Plans
 - Risk-based Standards and Compliance Oversight
 - Self-Logging Processes and Enforcement
 - Align and Secure Evidence Locker Implementation Experience
- Task Force Efforts and Ad-hoc Input:
 - Hybrid Resources and CMEP/ORCP with the ERO
 - Feedback efforts with industry organizations
 - Post Audit Survey Results with the ERO
 - Facility Ratings Standards, risk-based evaluation and compliance readiness with the ERO
 - Supply Chain Risk Management readiness with the ERO



- Focused Discussions:
 - Surveys on Specific Areas or Initiatives
 - Focus Group Discussions
 - Regional Entity Feedback
 - Industry Organizations
 - Direct Stakeholder Input
 - CCC Members on Behalf of their Sector or Affiliated Groups
- Task Force Efforts and Ad-hoc Input:
 - Member discussion on sector outreach initiatives
 - Campaign to support E-ISAC-based security capability

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- Strengthening feedback loops in the ERO Enterprise Framework
 - Incorporate CMEP activities into all aspects of the risk framework
 - Addressing residual risk
- Partnerships
 - Other industry committees for agility and effectiveness
 - Standards Committee on enhanced periodic review of standards and effectiveness of process



COLLABORATION IS KEY

Key Collaboration Initiatives

Industry
Outreach

Stakeholder
Survey and
Feedback

Focus
Discussion
Topics

ERO
Program
Alignment

Compliance
Guidance

Key Partners – Compliance Assurance, Enforcement and Internal Audit



Questions and Answers

Future Meetings

Action

Information

Summary

The following are the future meeting dates for 2023 and 2024. The dates, locations, and/or platforms may be subject to change.

2023 Dates

October TBD	Virtual MRC Meeting
December 12	Virtual Board Meeting

2024 Dates

February 14-15	Houston, TX
May 8-9	Washington, DC (Hybrid Schedule*)
August 14-15	Vancouver, BC, Canada
October TBD	Virtual MRC Meeting
December 13	Virtual Board Meeting

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

Update on Regulatory Matters (As of July 13, 2023)

Action

Information

FERC Orders Issued Since the Last Update

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

NERC Filings to FERC Since the Last Update

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

NERC Filings in Canadian Jurisdictions Since the Last Update

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

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

Anticipated NERC Filings

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

1. July 17, 2023 – NERC will file a petition requesting funding approval for the Inter-Regional Transfer Capability Study.
Docket TBD
Pending FAC approval
2. August 14, 2023 – Within 45 days of the end of each quarter, NERC must submit the unaudited report of the NERC budget-to-actual spending variances during the preceding quarter.
Docket No. FA11-21-000
Pending Board approval
3. August 29, 2023 – NERC will submit a quarterly filing in Nova Scotia of FERC-approved Reliability Standards.
4. September 15, 2023 – NERC will submit an update on the Project 2016-02 (Modifications to CIP Standards) schedule regarding the development of standards language addressing virtualization.
Docket No. RD20-2-000
5. September 28, 2023 – NERC will submit the annual Wide-Area Analysis of Technical Feasibility Exceptions report.

Docket Nos. RR10-1-000, RR13-3-000

6. September 30, 2023 – NERC will file a petition for approval of proposed Reliability Standards IRO-010-5 and TOP-003-6 (Project 2021-06).

Docket TBD

Pending Board approval

7. September 30, 2023 – NERC will file a petition for approval of updates to Rules of Procedure Section 300 and Appendix 3A (Standard Processes Manual).

Docket TBD

Pending Board approval